RUSSIAN AFFAIRS

BY GEOFFREY DRAGE

MOTTO

I BELIEVE THAT RUSSIA HAS A CIVILISING MISSION SUCH AS NO OTHER PEOPLE IN THE WORLD, NOT ONLY IN ASIA, BUT ALSO IN EUROPE. . . . WE RUSSIANS BEAR UPON OUR SHOULDERS THE NEW AGE; WE COME TO RELIEVE THE "TIRED MEN"

COUNT MOURAVIEFF

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DEDICATED

TO MY OLD FRIEND AND SCHOOLFELLOW

SIR ARTHUR HARDINGE, K.C.M.G., C.B.

HIS MAJESTY'S ENVOY AND MINISTER
PLENIPOTENTIARY AT TEHERAN

IN MEMORY OF MANY HAPPY HOURS SPENT IN HIS
COMPANY AT ETON, OXFORD, AND IN RUSSIA

PREFACE

At a time when all eyes are turned towards Russia, and when Englishmen of all classes are seeking for information on innumerable questions connected with that great and mysterious country, I think myself fortunate in having completed this book after many years of labour and study, and there seem good grounds for the belief that it may be found to fill a gap which has hitherto existed in the literature of the subject.

The motto and table of contents explain at a glance its objects and its limitations. Russia is a great Power. She has great ambitions. What these ambitions are, to what extent they are being realised, and how far they affect Great Britain and the British Empire—*hæc nostri est farrago libelli.*

The present volume, then, so far from claiming to be an exhaustive treatment of the whole, is offered as a contribution to the knowledge of some portions only of a great problem. Even so, its shortcomings are to myself sufficiently apparent. As a student at the University of Moscow, as an occasional traveller during the last twenty years over much of European and Asiatic Russia, and as a close personal friend of Professor von Schulze-Gävernitz, the greatest German

authority on the economics of European Russia, I have realised the difficulties to be encountered. Indeed, for the last three years these difficulties have never been long absent from my mind, and are none the less formidable from the fact that many important matters, such as, for instance, the Russian Budget, have never yet been dealt with by an English writer.

No apology is, however, required for the figures with which the following pages are filled. The general reader has become accustomed to statistics, and is now aware that all arguments with regard to agriculture, industry, commerce, and finance, to be of value, must be based on figures, and that, if these are withheld, there are no means of controlling the statements made and the conclusions drawn therefrom. Statistics with regard to the industrial and commercial conditions of any country are most difficult to deal with, but Russian statistics have special intricacies of their own. It can only be said, that an attempt is here made to present an accurate statement *sine irâ et studio quorum causas procul habeo.*

It remains for me to express my deep obligations to the many authorities consulted, either orally or by letter, on the subjects treated in the following pages. References are given in footnotes as far as possible to the books that have been read, but these form only a small portion of my indebtedness to my friends. In particular, I should like to place on record the untiring courtesy and attention with which, as a student of foreign affairs now for nearly a quarter of a century, I have invariably been met by

the members of His Majesty's diplomatic and consular services, whose personal assistance and advice have been the greatest help to me, and whose most valuable reports to the Foreign Office, constantly cited in this book, seem to attract far less attention than they merit and infinitely less than they would receive in any country but our own.

Notice may be drawn to the unusual number of maps by which the information conveyed in the text is illustrated and emphasised. In this connection my thanks are due to Messrs. Skrine and Ross, the authors, and Messrs. Methuen, the publishers, of "The Heart of Asia," for permission to reproduce from that volume the map showing the advance of Russia in Central Asia.

The systematic use that has been made of information contained in the daily and weekly papers to supplement standard works is an innovation, but one which subsequent writers can hardly fail to adopt, if the very high standard now reached by the foreign correspondence of the principal English journals is maintained.

As the book is intended for the general reader, and not merely for Russian scholars, no strict rule has been followed in the rendering of Russian names of persons and places, but wherever a translation has obtained general acceptance it has been adopted. It would be of no advantage, from the point of view of the general reader, to style the well-known statesman, M. de Witte, as "M. de Veette," or the less known M. Sipiagin as "M. Sipiagheen."

As far as is possible in dealing with such a vast mass of materials, the Introduction and the body of the work have been brought up to December 1st, 1903.

G. D.

January 1st, 1904.

P.S.—While the last of these pages have been passing through the press hostilities have broken out between Russia and Japan. As this war not only marks an epoch, but may influence the destinies of the larger portion of mankind, the most important of recent State documents issued up to its commencement have been added in the Appendix. These documents will on the one hand provide the general reader, in the case of the Manchurian question, for instance, with a most valuable object-lesson in Russian policy and its methods; and on the other hand, if the book should fall into the hands of merchants and men of business, or of public men and public servants at home or abroad, it will give in a convenient form papers not easily accessible anywhere away from London, and will, it is hoped, in any case save the necessity of reference to a great number of somewhat unwieldy blue-books, whose contents are known only to a small band of experts.

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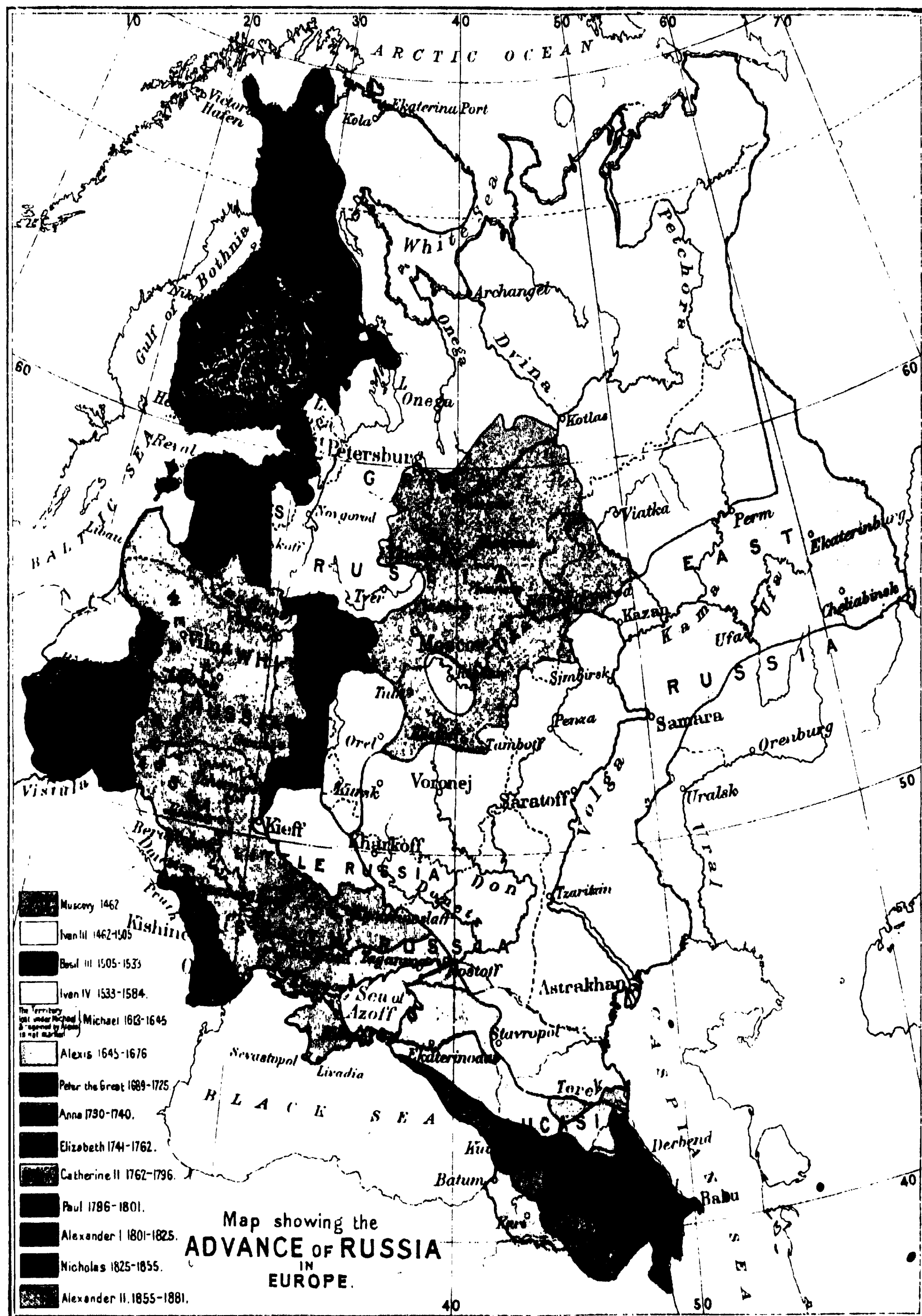
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Map showing the ADVANCE OF RUSSIA IN EUROPE.

RUSSIAN AFFAIRS

INTRODUCTION

1. The Land and the People.—2. Reigns of Alexander I. and Nicholas I.—3. Reign of Alexander II.—4. Reign of Alexander III.—5. Reign of Nicholas II.—6. Present condition of the People.

1. The Land and the People

The twentieth century has opened upon a scene of great activity in every part of the vast dominions of the Tsar; Russian affairs occupy an increasing space in the columns of European journals; in the North, the tale of Finnish exiles grows daily longer, and Norway begins to fear what proximity to Russia may mean to her. In the Far East, Russian diplomacy is busy with negotiations which involve the fate of more than one great sea power. In the West, the migration to Germany is causing increasing uneasiness to the authorities in East Prussia. In the South, the massacres of Kishineff give one more proof of Russia's determination to achieve at all costs her aim of national solidarity.

This story of banishment and massacre seems to the Western world a record of political crime and barbarity, but to Russian statesmen these incidents, though doubtless regrettable, are the inevitable steps whereby Russia is advancing on her mission of culture and beneficence. Count Mouravieff, in the words which I have placed on the title page of this book; Prince

Uchtomsky, in many a speech and letter; General Kourapatkine, M. de Witte, and M. Pobiedonostseff, all, both by word and act, have expressed their profound belief in the cultural mission of their country. Russia is to bring enlightenment, civilisation, and faith to China; she is to deliver the victims of British oppression in India; on her own people she is to bestow a new culture which shall be indigenous, a true product of Slavonic genius, far superior to that spurious culture which they have hitherto tried to borrow from the weary and effete Western world. The idea of Russia as a pioneer of civilisation, the deliverer of the oppressed, and the dispenser of intellectual light, seems sufficiently incongruous to Englishmen, who are accustomed to look for the manifestations of her activity in the swing of the Cossack's knout and the black ink of the censor of the press. There can, however, be no doubt that Russia is perfectly sincere in her conviction that she is destined to bear the burden of the new age; and the chasm which separates the ideal which Russia has formed for herself and the expectations which the world has formed of her, serves well to show how great is the ignorance which prevails as to the true state of Russia at home and in its vast dependencies, both Asiatic and European. The land is wrapped in mystery as dark as its own forests; the Slavonic temperament presents an inscrutable riddle to the practical men of the West, and the superficial veneer of European civilisation serves only to hide still more successfully the true nature of the forces which lurk beneath an outwardly polished exterior. On the threshold of the twentieth century it is a most interesting but also a most difficult task to attempt to gauge the present condition of Russia in its social and economic aspects, and to try to arrive at a just appreciation of the claims which Russia makes to be the author of a new civilisation. Contradictions and inconsistencies appear at every turn, and not the least striking will be the great contrast between Russia at her centre and at her circumference, the one growing

and comparatively prosperous, the other worn out by famine and becoming desperate under oppression.

The student of history cannot but ask whether the old drama of the decline and fall of a great empire is to be enacted over again, or whether the Russian nation possesses an innate vigour which will enable it to overcome the enormous difficulties of the struggle on which it has even now entered. The whole of Northern Asia, with the exception of Korea, and a great part of Central Asia, are now Russian territory.

The problem for Russia is therefore a double one, how to civilise her vast Asiatic dependencies and at the same time to evolve a civilisation of her own, such as her people are capable of assimilating. That people has been the most patient and the most unfortunate in Europe. The misrule or no-rule of the barbarians continued here three centuries later than in the West. Christianity arrived late, and from the least pure source, Byzantium. The law, religion, and constitution of an effete race were imposed on a young and sturdy people, not destitute of political and commercial capacity—witness such republics as those of Novgorod and Pskoff. But even this worn-out system was not allowed a fair field. Within two hundred years of the baptism of Vladimir at Kieff came the Tartar invasion. Arriving as Pagans, the ruling race became Mohammedan during their sojourn. They were never anything but Asiatic, and they fashioned their subjects in an Asiatic mould. The impress of their yoke has never been effaced. It was not until the time of the Renaissance that any attempt was made to shake off the Tartar. It was not till 1554 that the crescent disappeared from the Volga. There are still mosques and Mussulmans, not only in the East at Kazan, but in the West a few miles from the Baltic. In Russia still more than in Spain the national religion, with all its rites and ceremonies, has been the rallying point of the patriot. But even after 1554 the country was crushed under a rule of iron, a mixture of Mongolian usage and Byzantine etiquette. The

people were only delivered from the foreigner to be attached by Boris Godunoff to the soil. In the next century, as if the Russian land was never to be free, came the Polish invasion, to which Moscow herself submitted. When at length she was free to receive the impress of her great master, Peter the Great, Russia had reached the end of the eighteenth century untouched by the two great movements which have had so inspiring an influence on Western Europe, the Renaissance and the Reformation. No breath of these touched the national life under Peter the Great or his successors, and even the French Revolution left Russia unmoved. With such a history the wonder is not that she is so little European and so little modern, but that she is not far more Asiatic and far more mediæval.

In judging of Russia, her history is often forgotten. The effect of her climate and configuration, though better known, are often less borne in mind. The important fact to recollect about the country is that it is neither Europe nor Asia. In contrast to Europe, which is broken up by mountains and navigable seas, time out of mind the nurseries of freedom, one should remember the vast extent of the Russian plains and the frozen seas by which they are bounded on the north and the north-west. In Russia there are no real mountains till you reach the Caucasus. The Urals are merely a series of high table-lands rising one above the other. The Russian climate is not temperate. With a short interval, sometimes not more than a fortnight, extreme heat follows extreme cold. The Gulf Stream is powerless. The climate has its effect on the people. Extreme cold impels, long winter compels, man to idleness. He loses his taste for active exercise, his food is bad, he becomes drunken, dirty, and immoral. The struggle with the climate ends in resignation and endurance of the evil. Hence the sadness of the national character. To the climate, with its sudden changes from winter to summer and summer to winter, may be ascribed the contradictions of the national

character, and the sudden revulsions of feeling to which Russians are prone.

The late Lord Salisbury once urged the use of large maps. There is no country in which they are so useful as in Russia. Few Westerners have any idea of the vast extent of the Russian plains, fewer have thought of the unity which those plains give to the congeries of nations united under the sceptre of the Tsar, fewer still have noticed the direction of all the chief rivers and the part played by this fact in impelling her interests as well as her teeming population southwards. Russian history has consisted of waves of colonisation which have not yet spent their force. It remains to be seen whether these waves, though recently directed to the East, may not at some time be directed with greater vigour to the South and West. Germany has long been combating the influx of the Slav; a Russian migration may yet influence what has been described as "the Kaiser's most fascinating and quite his most daring adventure," the Baghdad railway. Such a movement would follow the direction taken yearly by many thousand Orthodox pilgrims from the uttermost parts of Russia to the sepulchre of the Saviour, and the traditional desire of the whole nation to plant once more the cross instead of the crescent on the dome of St. Sophia at Tsargrad[1] and deliver the Holy Land from "the power of Antichrist." It is in these old-world ideals and in the strange prehistoric creeds familiar to all who know Russia well that the strength of this marvellous nation lies. Holy Russia is slumbering still, but when she wakes it will be with the strength of a giant. Such are some of the reflections suggested by Russian geography and Russian history. Let us now examine somewhat more closely the Russia of the nineteenth century.[2]

[1] Tsargrad, or "the City of Cæsar," is the old Russian name for Constantinople.

[2] Leroy-Beaulieu, "L'Empire des Tsars," vol. ii., p. 36. Palmer, "Russian Life in Town and Country," ch. ix. Skrine and Ross, "Heart of Asia," p. 225. Vicomte de Vogüé, "Le Roman Russe," pp. 1-7.

2. Reigns of Alexander I. and Nicholas I.

The founder of modern Russia dreamed of importing Western civilisation ready-made and forcing his people to adopt it, and the nineteenth century is largely a record of the alternate success and failure of his ideals. This period was the turning point in Russian history; up to the middle of the century Russia was developed by the autocratic power of the Tsars; but while society followed them and exhibited little independence of judgment, the liberal ideas disseminated by the rulers took root in the minds of the Russian youth. Russian officers had come back from the Napoleonic wars, having seen free institutions abroad, and the desire for reform spread steadily downward. The period of enlightenment which marked the reign of Alexander I. (1801-1825) was followed by one of reaction during the reign of Nicholas I. (1825-55), and this again gave way to a period of reform under Alexander II. (1855-81), to be followed in its turn by the reactionary reigns of Alexander III. (1881-94) and Nicholas II. (1894 to the present time). The educated and enlightened minority had begun under Alexander I. to form secret associations for the promotion of reform, but his unexpected death in 1825 put an end to the hopes of the friends of freedom.

Nicholas I., who easily quelled the revolt of December 26th which ushered in his reign, was a man of despotic temperament, whose iron rule admitted of no will save one. His treatment of the Jews earned for him the title of "the second Haman"; in Poland the national aspirations which had culminated in the rebellion of 1830 received a severe check. The constitution granted to Poland by Alexander I. disappeared, the old Palatinates were transformed into Russian Governments, the universities of Warsaw and Vilna were closed, and the insurgents were either hanged or sent to hard labour in the mines of Siberia. At home the Government became the absolute foe

of all enlightenment, the innocent Russian universities were declared responsible for all the excesses which had accompanied the revolutionary movement in Western Europe, and even historical essays devoid of all political bearing were prohibited. Yet liberal tendencies were not eradicated from Russian society. Court circles took the tone of the Tsar, but the educated middle class became more hostile than ever to the despotic policy of its rulers, and hatred towards the existing order of things increased. The Crimean War, which showed the rottenness of the machinery of administration, served to spread the belief that autocracy was crushing the life of the people. A cry for liberty arose, and the accession of Alexander II. was greeted with enthusiasm.[1]

3. Reign of Alexander II.

The recovery of Russia after the Crimean War was the result, not of the work of any great statesman, but of the joint action of the enlightened classes. The leaders were persons in the second or middle class, closely allied with the literary movement, and were far in advance of the bureaucracy of Nicholas. It is true that the abolition of serfdom, which was the great work of this reign, was initiated and rendered possible by the energy and enthusiasm of Alexander II., but so far-reaching a change could never have been effected—or, at any rate, not peaceably effected—without the co-operation of all the parties concerned. Great credit is therefore due both to proprietors and peasants for their share in the movement, and it may "justly be said that the emancipation was not the work of one man, or one party, or one class, but of the nation as a whole."

When the settlement of this great question had

[1] "Russia on the Eve of the Twentieth Century," pp. 1-10. E. Noble, "Russia and the Russians," pp. 113-22. G. Créhange, "Histoire de la Russie," pp. 125-8.

been successfully inaugurated, the work which called for next attention was the reform of the Law Courts. The administration of justice had degenerated, in spite of the excellent intentions of the law-makers, into inefficiency and corruption. Every judicial act was surrounded by a host of regulations intended to prevent the possibility of injustice, but the judges were persons without special legal education—often with little education of any kind—and were appointed for short periods and with very low salaries. The result was that little of the real work of a trial was performed by the judge, the whole preparation of a case being done by minor officials under the direction of the Secretary of the Court. The abuses to which this system gave rise had attracted attention even in the reign of Nicholas I., under whom Russian law was codified so as to be "a model of lucidity and arrangement." A Commission was appointed by Alexander II. in 1862, and in 1864 new legislation based on its recommendations was published. Two lower courts were instituted, the special tribunal for the peasants in each canton (*volost*), which decided civil and criminal cases involving claims up to 100 roubles, and the Justice of Peace Courts, which adjudicated disputes involving not more than 300 (later 500) roubles, or six months' imprisonment. Above these and covering them both were cantonal Courts of Appeal, Courts of Revision at the provincial capitals, and as the apex, the Court of Cassation, which formed part of the Senate. In both the lower courts the magistrates were assisted by a jury. Certain districts were from the first exempted, and the system never became general. The examining magistrates, who ought on principle to have been irremovable, were very rarely confirmed in their office, and the investigation of criminal cases was entrusted to magistrates temporarily appointed. In 1889 elective Justices of the Peace were abolished, except in the two capitals and six of the other largest

cities. The institution of the jury has, on the whole, worked well, though the verdicts given by Russian juries are generally anything but impartial, and are often more just in the spirit than in the letter. This, however, is a practical advantage, as it tends to lessen the disparity between the crime and the offence which might, and often does, result from the fact that judges have little power of discretion and must, in assigning penalties, act in strict accordance with the Criminal Code.

The liberal spirit of the time was felt in all directions, one most important reform being the relaxation of the censorship of the press. Under the new influence a multitude of newspapers came into being, and discussion ranged freely over the affairs of practical life, instead of being confined as before to questions of academic and literary interest only. This was the time of Herzen's influence, when, by means of his journal *The Bell*, published in London but widely read in Russia, he was able to disseminate radical views throughout the educated classes. Education was encouraged and the restrictions limiting the number of students at each university were abolished. In 1863 the universities were declared independent, and in 1864 *Realschulen* were introduced and special provision made for the education of women. The Crimean War had shown the necessity of better means of communication, and one of its first results was the commencement of railway construction, a movement which, checked by no reaction, continues in full force up to the present day. Of still greater importance to the life of the people was the law of 1864, which, by establishing elective assemblies or *zemstva*, representing all classes of the population, nobles, merchants, clergy, artisans, and peasants, and roughly corresponding to our English County Councils, gave to the people a considerable degree of self-government. The function of the *zemstvo* is to supplement the action of the village commune (*mir*) by taking cognisance of those larger

public wants which the *mir* cannot supply. It is responsible for the maintenance of roads and bridges, for the care of education, and generally for the entire welfare of the inhabitants of its district.

Nowhere were brighter hopes awakened than in Poland, where thirty years of repression had failed to crush the aspirations of the nation. The nobility of Poland, as sole proprietors of the land and entitled to demand forced labour from their peasants, enjoyed a position of great influence and wealth. The peasantry, on the other hand, were in general the mere chattels of their masters, with no land of their own and impoverished by the burden of forced labour. The Agricultural Society, founded in 1855 by Count Zamoiski, with the object of affording a centre for all efforts to ameliorate the condition of the peasants, became in no long time the rallying point of public spirit. Its aim was nothing less than the settlement of the peasant question, but such an achievement would have won for it immense popularity, and this the Imperial Government could not permit, as it was determined to secure for itself any credit which could be gained in this way. Some concessions were granted to Poland, a separate Ministry of Instruction and Public Worship was conceded, and a measure of self-government was promised. But the activity of the Agricultural Society was an offence to the Imperial Government, and in April 1861 it was suppressed. Throughout this year popular demonstrations were repeatedly checked by Cossacks, who fired upon a passive crowd. Disaffection continued to increase, and in 1863 the efforts of the authorities at Warsaw to obtain recruits by force precipitated an insurrection. The insurgents were unarmed and unorganised, and had no hope of success—the insurrection was, in fact, an act of national despair, but it was not the less severely repressed. The Tsar abandoned all hope of conciliating Poland and recurred to the policy of Nicholas I. Every remnant of Polish autonomy was

obliterated. The most important economic consequence of the rebellion was the law of 1864, which revolutionised the land system of the kingdom. The rebellion had been the work of the wealthy nobles, the peasants remaining inactive. As a reward for their loyalty, and of course also as a measure of precaution against the power of the nobility, half the land of the province was bestowed as freehold property upon the peasant holders, who were at the same time freed from all obligation to labour on the estates of the large proprietors. No change was made in the custom of "servitudes"—*e.g.*, the peasants' undefined right of access to the nobles' forest-land and pastures—as it was the aim of the Government to perpetuate the difference of interest between the two classes. The consequences of this very radical measure, to which the recent industrial development of Poland is largely due, are more fully described in Chapter VI.

The suppression of the Polish insurrection was also the death-blow of Russian liberalism; the tide of enthusiasm was checked and gave way to discontent and suspicion. Yet the changes which had been effected were far from satisfying the aspirations of the more advanced reformers. No one believed that the Government was sincere in its apparent desire for reform. It received no support from the friends of freedom, and was consequently unable to deal with difficulties as they arose. Hence Socialism was allowed to acquire a secret organisation and to join its forces with those of the disaffected throughout the educated classes. The profound discontent which permeated society has been ascribed to the startling rapidity with which the reforms of 1860-64 had been introduced, and to the fact that these reforms awakened aspirations incapable of fulfilment by any administrative change. It has been asserted, on the other hand, that reform came too late to avert the results entailed by the long-protracted sufferings of the people and the repressive policy of Nicholas. Discontent with all

existing institutions and disaffection towards the throne culminated in the destructive fury of the revolutionaries who were already known as Nihilists. Beginning with a mere desire for truth and freedom, they ended in that active hostility to all existing institutions which has made their name a synonym for universal destruction.

To the Government the Polish insurrection seemed to afford a warning of what would happen on a greater scale, if revolutionary tendencies were allowed to develop unmolested. In April 1866 Karakasoff, the emissary of a reform club, fired on the Tsar. His attempt gave the signal for a complete change of policy; liberal Ministers were replaced by men of reactionary opinions, and the administration passed into the hands of the Slavophiles, or so-called National party, who resisted all liberal measures on the ground that they were of Western origin. The publication of Samarin's book on "The Frontiers of Russia" marked an epoch in the policy of the empire. Russification in the Baltic Provinces was put in hand forthwith. In Poland the Uniates were forced into the Orthodox Church; the new scientific studies of the *Realschulen*, being supposed to favour revolutionary ideas, were supplanted by a rigid classicalism, and the censorship of the press was re-established. The revolutionists retaliated by the formation of an organised conspiracy known as the "Executive Committee," whose avowed object was the death of the Tsar. Several officials, among them Prince Krapotkin, Governor of Kharkoff, were assassinated, and incendiary fires broke out with alarming frequency. The murders undertaken by the Nihilists were nearly always committed in broad daylight and under the eyes of the police, yet so indifferent were the people that the Government could rely on no public support, and the measures taken in the interests of security served only to alienate still further the feelings of the nation, which was brooding sullenly over the scandals and scanty results of the Turkish

War, into which national sentiment had hurried its peace-loving sovereign. In April 1879 another attempt was made on the life of the Tsar, and panic took hold of the Government, arrests and banishment were multiplied, and precautionary measures were adopted in every house. In 1880, after the abortive termination of the Winter Palace Plot upon the life of the Tsar, Loris Melikoff was made dictator, and entrusted with special powers to meet the emergency. This man, an Armenian by birth, had risen to the rank of General by sheer force of talent, and now grappled with the difficulties of the Government in the way which seemed best fitted to solve them. Recognising the futility of mere repression, he set himself to win the sympathy of the people. Exiles were recalled, students permitted to return to the Universities, and the Tsar was even induced to consider a scheme for the summoning of delegates from the various organs of local government. This scheme, which might have given to Russia a representative assembly, was frustrated by the assassination of the Tsar on March 13th, 1881. It seems evident that the police were aware of the designs of the conspirators, but, either owing to the fact that the high officials were strongly opposed to the new scheme of representation, or, more probably, because of the general apathy, they did not take the necessary precautions. It has been well said that the responsibility for this atrocious and uncalled-for crime lies at the door of the whole Russian people.[1]

4. Reign of Alexander III.

Alexander III. seemed at first inclined to carry on the work of his father: Melikoff was instructed to publish the declaration as to a representative assembly drawn up by the late Tsar. "Change nothing in my

[1] "Russia on the Eve of the Twentieth Century," pp. 10-27. E. Noble, "Russia and the Russians," chs. vii., viii. G. Créhange, "Histoire de la Russie," pp. 214-33. Mackenzie Wallace, "Russia," Ch. xix. *Cp.* also Skrine, "Expansion of Russia," pp. 165-270.

father's order," he said; "it shall be his testament." But other advisers, less liberal than Melikoff, were at hand, whose counsel agreed better with the personal inclinations of the new Tsar, notably M. Pobiedonostseff, since 1880 Chief Procurator of the Holy Synod, who maintained that concessions at such a moment would produce an impression of weakness. Alexander III. was won over to the policy of reaction and repression which lasted during the whole of his reign, and has continued, with some modifications, under Nicholas II. up to the present time. Melikoff was dismissed, as was also his successor, Ignatieff, to make room for Count Dmitri Tolstoy, a reactionary of the extremest type; but the man of most influence with the Tsar, although without any official position, was Katkoff, editor of the Moscow *Viedomosti*, a clever journalist, formerly of liberal but now of ultra-conservative views, and actuated by personal ambition only. M. de Plehve, who was destined to play a greater part later on under Nicholas II., was made Chief of Police. The measures taken against the Nihilists were so severe that the whole of Russia was practically placed under martial law; administrative banishment was used more extensively than ever before, until the number of persons torn from their homes and families reached 12,000 a year. The educated classes held aloof, the peasants trusted entirely in the power and goodwill of the Tsar, and hence no one was found to check the attacks of Katkoff upon independence of every kind. All free institutions, the law courts, universities, towns, and *zemstva*, had their rights curtailed. By the University Code of 1863 the universities had been allowed to elect their own rectors and deans of faculties; and for many years this essential condition of university life had given quiet to these institutions. They were now attacked by Katkoff in the Moscow *Viedomosti* and their independence threatened. The Minister of Education was compliant, but opposition came from an unexpected quarter. M. Pobiedonostseff, who had been a professor at the

University of Moscow, pleaded vigorously for the autonomy of the universities when the new code was introduced into the Imperial State Council. This code contemplated the destruction of the corporate life of these institutions, and the abolition of all elective rights; the conduct of even the examinations was to be taken away and given to a Commission of Administrators. As a result of underhand intrigues M. Pobiedonostseff was won over to the side of Katkoff, and advised the Tsar to appoint a Commission to consider the decision of the Council. This Commission reported in favour of the new code. It was passed, and as a consequence the authority of the professors gave way to police supervision, and the universities were permeated with a distrust of all authority, which still finds its manifestation in the student riots of which so much has been lately heard.

The second step of reaction curtailed the privileges of local institutions. The *zemstva* appointed by Alexander II. had been introduced as an experiment only in thirty-three governments of European Russia, but they had succeeded well, and it was proposed to extend both their area and their functions. This extension gave place in 1890 to a serious limitation of their powers and constitution. It had been found expedient to strengthen the Government in the rural districts by submitting the villagers to the jurisdiction of civil officers endowed with judicial as well as administrative functions. The principle of the division between these powers was afterwards given up, the Justices of the Peace elected by provincial councils were thrown over, and a very stringent and arbitrary rule substituted—viz., the rule of the Provincial Chief appointed by the Governor from the nobility. The new officer was made the centre of all the administrative affairs of his district, sanitary measures, relief of the poor, and supervision of all the moral and material interests of the population. The number of peasant representatives in the *zemstvo* was decreased, the names of persons elected had to be

submitted for confirmation to the Governor, and their votes were at the mercy of the Provincial Chief. "Coming after the orderly process of law administered by Justices of the Peace, a process which the villagers had already learned to respect, the power of Provincial Chiefs is considered as a negation of justice. 'We have no more judges,' a peasant was heard to say, 'we have commanding officers.'" Thus an elective body representing all classes was broken up. The nobility had had a predominance without privilege, which brought them into touch with other classes of landed proprietors; this was now destroyed, and the representation of the peasants was at the same time rendered almost ineffectual. The Justice of Peace Courts, in which some of the best people had taken part, and which had obtained the confidence of the population, were thus suddenly abolished in 1889, and the Provincial Chiefs (*zemskie nachalniki*) appointed by the Governor put in the place of the elected justices. "These officers now wield unlimited judicial and executive power in the villages under their care. The press is forbidden, under severe penalties, to publish complaints against them; they have in their own hands all appeals which may be made against their decisions; while such responsibility as they acknowledge is a merely nominal and official one to the Governor of the province." The leaders of the reaction saw, however, that these privileges were insufficient to attach the nobility to the Government, and consequently they transformed the ancient Mutual Credit Society into the Nobles' Bank, which lent money at low interest. In 1895 the *lettres de gage* issued by the bank were declared part of the national debt.

The commercial interest was conciliated by means of a tariff revision undertaken in 1891, which has given an artificial stimulus to all branches of Russian industry, and has undoubtedly promoted the growth of Russification in those provinces which feel their prosperity dependent upon the general commerce of the empire.

Till the present year (1903) no fresh reforms had been undertaken on behalf of the peasants, whose economic position, in spite of the peasant banks founded in 1883, is now on the whole less favourable than it was before their emancipation. The system of communal property is a hindrance to their civil and economic development. If the peasants could sell their land, they would be available for factory labour, and, with labour as their sole resource, their work would be of far greater value to their employer than at present. Or, if they could buy their land and own it as a freehold possession, they would have an incentive to work it economically and so get good returns from it. But the power to buy their lots of land was stopped by the reaction which prevented purchase without the consent of the *mir*, and made the land granted by landowners inalienable. Thus, instead of having the free disposition of their persons and property—the aim of the emancipation—the peasants again became a separate class, confined within the little world of the *mir*. Protection makes all the necessaries of life dear, the payment of the land taxes absorbs a great part of the corn needed for their sustenance, the ground is becoming steadily more impoverished, and during the last decade famine has hardly ever been absent from some part or other of the empire. A further result of the reactionary movement was the attack made by M. Manassein, when Minister of Justice, upon the independence of the judges. The new judges appointed by, and removable at the pleasure of, the Tsar, were found to be partial and unjust, and appeals were made against them to the Senate. This procedure was at first successful, but as the Senate became filled with creatures of the Government all check upon the subserviency of the law courts was lost.

Under the influence of M. Pobiedonostseff, the Procurator of the Holy Synod, vigorous efforts have been made to bring within the pale of the Orthodox Church all dissenters and persons of alien creeds. The reign

of Alexander III. opened with a tolerant treatment of dissent, during which some sects, such as the Old Believers, recovered a little from the severities of former administrations; but, as soon as the Government felt its power, it proceded to harsh measures, especially against those dissenters whose tenets marked them out as independent thinkers. The Stundists of Southern Russia, dissatisfied with the formalism of the Orthodox Church, had formed themselves into a religious society, holding meetings for prayer and the reading of the Scriptures. The members of the society are distinguished by many of the moral virtues, thrift, cleanliness, and sobriety, to which the Russian peasant is a stranger, but this has not prevented the Government from regarding the society as dangerous. Its meetings have been suppressed by the police, and members of the sect mercilessly punished by the law courts. The Dukhobortsi, or "spirit wrestlers," had been long settled in the Trans-Caucasus, and, in spite of the fantastic character of their opinions, had showed themselves good patriots in the Turkish War. The refusal of some extremists to perform military service led, in 1895, to the deportation of practically the whole body to Cyprus, and their eventual migration to Canada, although such refusal was no new thing, but a circumstance for which in other cases—*e.g.*, the Memnonites—special exemptions were made. (See also Chapter VII.)

The persecution of the Jews, never long quiescent in Russia, was unusually active during the reign of Alexander III. In 1886 and 1887 the Tsar signed edicts which gave the Minister of Education the power of restricting the numbers of Jewish pupils in schools of all grades. Jews were at the same time forbidden to establish schools of their own. From 1887 to 1890 all Jews still resident in rural districts were harried from their homes and forced into the Pale. In 1890 the Grand Duke Serge was appointed Governor of Moscow, and the expulsion by night of 700 Jews was thought

necessary to "purify" the place for his arrival. Deprived of nearly every means of livelihood, and crowded together in the cities of the Pale, the Jews quickly showed signs of such physical deterioration that only 6 per cent. of the conscripts who presented themselves at the levy of 1892 were able to pass the medical examinations, while of the Russians 65 per cent. were accepted. Many died of absolute starvation. Certain trades, indeed, are permitted to Jews, but these have never been authoritatively defined, and the limits of exemption were at that date frequently and arbitrarily contracted. "Men who were enrolled as artisans to pursue the vocation of watchmakers were expelled because they had sold watch keys. . . . Tailors were expelled because the buttons which were sold on the clothes were not manufactured by them." "The Russian persecution," says Mr. Lecky, "stands in some degree apart from the other forms of the anti-Semitic movement, on account of its unparalleled magnitude and ferocity, and also because it is the direct act of a Government deliberately, systematically, remorselessly seeking to reduce to utter misery about four and a half millions of its own subjects." The persecution of the Uniates, begun under Alexander II., when some thousands were induced to sign a document declaring themselves to be of the same religion as the Tsar, was continued throughout the reign of Alexander III., when thousands more were imprisoned and exiled. The Lutherans of the Baltic Provinces suffered a similar persecution; their schools were closed, their clergy suspended, and pressure of every kind brought to bear upon them which might result in conversion to the Orthodox religion. The further measures by which complete Russification of these provinces was secured are described in Chapter VI.

In both capitals and in the large towns order was preserved by the maintenance of a continual state of siege, which was alleged to be indispensable to public safety. Under the minor state of siege, or state of

enforced protection, the Minister of the Interior has power to suspend all Imperial orders, and to usurp the power of life and death. As M. Demchinski says in his memorial to Nicholas II. dated January 5th (18th), 1903, when the Minister of the Interior wishes any one to be hanged he has only to proclaim the state of enforced protection in a particular district. That district becomes "outside the law," and dozens of men can be sent to the gallows by the mere order of the Minister, and indeed of the Governor-General. The police assumed the powers of a municipal council, made arbitrary rules, and imposed fines for their infraction. In addition to this a new secret police force was organised, directly responsible to the Ministry of the Interior and acting in secret on unknown orders, with the result that collisions between the ordinary and the extraordinary police actually took place. Under this system, every official had the power—a power often used to further private ends, or to satisfy greed by blackmail and confiscation —to arrest without trial and to exile without appeal. "Alexander III.," says Mr. Lecky, "reigned over an administration which is among the most despotic and, probably without exception, the most corrupt and the most cruel in Europe." This tyranny met with no resistance, the old influential journalists Katkoff and Aksakoff were dead, and the Government cared nothing for the new race of mediocrities which had sprung up. The censorship of the press was not re-established, but control was exercised by a system of cautioning which was little less oppressive. Liberal journals ceased to exist, but Socialism in a theoretic form was regarded as harmless by the Government, and hence the teaching of Marx became widely spread, especially among university students. Unfortunately Socialism, as taught in Russia, meant the negation of the existing order, and the secret organisations of Socialists justified the interference of the police and the suspicions of the Government. While the young and enthusiastic members of the educated classes gave their adherence

to these extreme opinions, the trading classes were bound to the Government by the interests which protection had created, the nobility looked equally to the Government for assistance, while the peasants were too poor and ignorant to desire anything but bread. The public service was venal and servile; men of independent thought were not wanted, or, if used for some difficult task, were removed as soon as their work was done. To this low level had Russian society sunk when the accession of a young and, as was believed, liberal-minded Tsar revived the hopes of the people.[1]

5. Reign of Nicholas II.

The accession of Nicholas II. in 1894 presented a great opportunity for an alteration of policy. The character of the reign of Alexander III. had been determined beforehand by the assassination of Alexander II.; a repressive policy was in like manner rendered inevitable to Nicholas I. by the December conspiracy of 1825. But no such necessities weighed upon Nicholas II.; in fact, the force of circumstances seemed to point in quite the opposite direction: the work of reform had been substantially effected by Alexander II., and all that Nicholas II. had to do was to reinstate these reforms.

The advisers who surrounded the new Tsar were, however, interested in the maintenance of oppression, and the first act of Nicholas II. showed that they had prevailed over the personal good intentions with which he has always been credited. The Provincial Assembly of Tver asked the Tsar in humble terms for the restoration of legal order. Their request was for nothing new; not for political rights or constitutional government, but simply for the cessation of the state

[1] "Russia on the Eve of the Twentieth Century," pp. 38-82. P. Vinogradoff in "The History of the Nineteenth Century." Lecky, "Democracy and Liberty," vol. i., p. 465. E. Noble, "Russia and the Russians," p. 134. Harold Frederic, "The New Exodus," pp. 192-244. "Report of the U.S. Commissioners on Alien Immigration," p. 39. *Times*, September 22nd, 1903.

of siege under which Russia was living. He replied by describing the idea as "senseless dreams," and declaring his intention to protect the principle of autocracy as firmly as his father had done. The nobility accepted the declaration with apparent joy, and a *Te Deum* was celebrated in Kazan Cathedral, but Russia was disappointed.

The visit of the new Tsar to Poland gave an additional indication of his policy. He was well received in Warsaw in spite of the intolerable oppression under which the people were suffering. The Uniates were full of hope, because instructions had been issued to the education authorities that Catholic children need not be present at Orthodox Greek prayers. Those who had been tricked into joining the Orthodox Church hoped for release. They were, however, informed that Poles may lawfully worship according to the Latin ritual, but that Russians must remain Orthodox. This declaration, which affected Dissenters as well as Uniates, swept away all hope of freedom of conscience in Poland. The attachment of Poland to the Catholic Church remains as strong as ever, the aspirations after national freedom survive every attempt to repress them, but one force is rapidly drawing Poland and Russia together, namely, the economic dependence of one upon the other, arising from the industrial development of Poland. The nobility of Poland have been brought to the verge of ruin by the transition to the wage system and the fall in the price of corn, and are no longer able to play a leading part. The peasantry are politically insignificant, and the old animosity between them and the nobility prevents any coalition of the two classes. The trading class is now the only one which is politically important, as the wealth of the country is in its hands, but the continuance of its prosperity depends upon continued good relations with Russia; a breach with Russia would be its ruin. "From the point of view of national aspirations this is a very sad matter," says Dr. Rosa Luxemburg, "but it would be still sadder to

shut one's eyes to the fact." In the opinion of this writer the task of the working classes in Poland will ultimately be the same as that of their fellows in Russia. The overthrow of autocracy is the aim towards which they must strive together.

In home affairs the apathy of the last reign has given place to a renewed desire for fiscal and agrarian reform, and for self-government. This shows that the spirit of freedom is not yet extinct; but in this, as in other matters, the Tsar has been hoodwinked by his Ministers, whose interest it is to maintain the power of the bureaucracy. M. Sipiagin, the late Minister of the Interior (assassinated April 1902), actually proposed that the Chancery for the Receipt of Petitions, of which department he was then the head, should have the right to decide on petitions presented, on the ground that the Tsar, who would act on the report of the Minister, was the refuge of the oppressed, a proposal which, if accepted, would have made him practically Tsar and supreme over all other departments. The proposal of M. Goremuikin, Minister of the Interior in 1899, to extend the *zemstvo* system into Western Russia was opposed by M. de Witte, Minister of Finance, in some respects a liberal-minded man, who urged that such institutions were inconsistent with the principles of autocracy; the only method of government which could be reconciled with the fundamental idea of the Russian State being an omnipotent and all-embracing bureaucracy. M. de Witte dwelt particularly upon the dangerous tendencies of the statistical departments of the *zemstva*, and in the spring of 1902 M. de Plehve actually obtained an order suppressing the collection of statistics throughout twelve governments, on the ground that it was impossible to find any but disaffected persons to do the work, and that their employment furnished them with increased opportunities of carrying on agitation. Further encroachments on popular rights marked the close of 1902 and the beginning of 1903. By a law of January 1st, 1903, the

factory inspectors were directed to co-operate with the police in the maintenance of order, and were made directly responsible to the Minister of the Interior, instead of, as formerly, to the Minister of Finance. In November 1902 a proposal was made to abolish the elective office of the Mayor of St. Petersburg and substitute a Government official, a change which would transform the municipality of the capital into a department of the Ministry of the Interior. This proposal was not carried out in its entirety, but considerable changes were made in the constitution of the City Council, and it was decreed that its decisions must be submitted for approval to a special board receiving instructions from the Minister of the Interior. The term of office of councillors was extended from three to six years, and Jews were entirely excluded from the franchise. The law courts have up to the present been spared from the encroachments of the bureaucracy, but reforms are projected, and the spirit which is likely to animate them is obvious. In fact, the law courts are already in tone and temper the instruments of the Ministers, although the independent status conferred upon them by the reforms of Alexander II. is still nominally preserved. The appointment of Provincial Chiefs (*zemskie nachalniki*) has gone far to nullify the effect of the peasant tribunals, and the introduction of the spirits monopoly has brought the agents of the central Government into the remotest parts of the provinces, and has thereby lessened still further the small degree of freedom which the provinces owed to their remoteness from the centre of government.

The peaceful control of the educational institutions of the country, which is naturally a matter of supreme importance to the Government, has been lost by it in its over-eagerness to concentrate all power in its own hands. M. Delianoff, who was Minister of Education under Alexander III., was succeeded by M. Bogoliepoff, a man of irreproachable honour, who had himself risen from the educational ranks. He had been Professor

of Roman Law, then Rector of the University of Moscow, and Warden of the Moscow educational district. These offices are, under the existing code, Government appointments, and M. Bogoliepoff acquired a strong dislike to university autonomy, which he believed to be actually dangerous to the State. His views in this respect were more reactionary than those of Ministers forty years ago, who, when the appointment of the Rector of Moscow was transferred to the Government, named the same man who had been elected by the university. Under his administration students were treated with more than wonted rigour. The first outbreak against the police control under this régime occurred at St. Petersburg in February 1899, when the rector was hissed, because he had threatened the students with police measures if any misbehaviour occurred on the occasion of the anniversary celebrations. When the students left the building they found their way barred by Cossacks, who used their whips freely and injured several persons. The result was a resolution of the 3,700 students of the St. Petersburg University not to attend lectures till satisfaction had been given, and the occurrence of sympathetic strikes in several other universities. A Commission under General Vannofsky, the late Minister for War, was appointed to advise the Tsar on the subject, but its only effect was the banishment of many students, the increase of control by the university police, and a threat to draft future offenders into the army. This disciplinary measure, which was enforced on the occurrence of fresh student riots in 1901, gave the greatest offence, not only to the students and their parents, but to the army, which felt itself degraded to the level of a penal colony, and to the lawyers. This measure, which was in fact a new law, and as such required a special decree signed by the Tsar, was merely announced to the Senate by the Minister of the Interior, and was therefore a direct violation of the law. "A Russian Emperor is the fountain of law. He may modify existing statutes and

promulgate new enactments, but all his subjects expect him to abide by the fundamental regulations already decreed by his predecessors or himself, unless some modifications are announced by public ukase." This capricious action, to which it is believed the Tsar was urged by M. Pobiedonostseff, aroused great indignation among the lawyers and magistrates, who are in some respects the most potent section of society in Russia. The disturbances of 1901 were met by the exclusion of all students from all universities, but after the vacation they were allowed to return, and the universities settled down quietly to their work. A fresh and very significant outbreak occurred in the summer of 1901, when the students of the theological colleges entered into a union for the purpose of organising demonstrations on a large scale. The immediate cause of this burst of disaffection was the excommunication of Count Tolstoy, but it gave expression to a feeling of long-standing dissatisfaction. The students protested that against their will they had to praise the Government, and work in conjunction with gendarmes and spies. Fresh student riots were feared at St. Petersburg on March 5th, 1903, the anniversary of the emancipation of the serfs; but the authorities took the precaution of closing the university for the day, and no demonstration occurred. It is, however, impossible that, under the existing state of affairs, peace should be long maintained in the educational world; secret societies will increase, in spite of the strictest police supervision, and Socialism and Nihilism grow apace. Nothing less than a return to the autonomy which prevailed prior to 1864 can secure peace to the universities.

The spread of Socialism is in fact a very real danger to Russian society at the present time. Factory legislation prohibits all labour combinations, but every factory possesses its secret committee, and towns and factories alike are inundated with Socialist papers and revolutionary proclamations secretly circulated. When, in November 1900, the students of Kieff University

protested against the interference of General Dragomiroff with the affairs of the university, a manifesto was circulated stating that, as they were unable by themselves to enforce their demands, they must unite with the workmen's associations in order to give their action a political character. Such an alliance if carried into effect might endanger the integrity of the empire. The critical nature of the situation during the last three years may be easily seen from the fact that two Ministers—M. Sipiagin, Minister of the Interior, and M. Bogoliepoff, Minister of Education—and M. Bogdanovitch, the Governor of Ufa, have been assassinated by men who believed that they were pioneers of a better social order, while four other officials of the highest rank have narrowly escaped the same fate, namely, M. Pobiedonostseff, who was shot at in March 1901, Prince Obolenski, assailed in August 1902, General Trepoff, and General von Wahl. Peasant risings accompanied by violence and bloodshed took place throughout South Russia in 1902 and 1903, and are believed to have been the direct result of a revolutionary movement supported by forged ukases of the Tsar directing the peasants to seize the land of the large proprietors and take cattle and corn by force. Acting in accordance with these supposed instructions the peasants sacked sixty estates in the province of Poltava, and twenty in the province of Kharkoff. This disturbance was suppressed by the military with great severity, the peasants who were captured being flogged to death or hanged. In October 1901 two thousand starving peasants attacked the municipal buildings of Taraskova, in the government of Samara, burning, plundering, and destroying everything. This riot also had to be put down by the military, as the local police were unable to cope with the rioters. In 1902 serious strikes occurred at Rostoff-on-Don, at Baku, and at Odessa. During the summer of 1903, forty-five thousand men were on strike at Baku; for ten days the town was entirely without the use of railways and tramways, and for two

nights was in total darkness. The working men of Moscow, who seem to have a settled plan of action, waited on M. de Plehve in April 1902, and, armed with a translation of the rules of an English Trades Union, requested permission to form themselves into similar organisations. Their request was not granted, but in July 1903 a new law was issued granting to workmen the right to appoint delegates to represent their interests before the factory inspectors. This small concession has evidently been quite ineffectual, for the strikes at Baku, Odessa, and Kieff, which occurred in the same month in which this law was promulgated, are described as the most serious labour disturbances that have ever yet occurred in Russia. These strikes are regarded, not as a mere quarrel between masters and men, but as a struggle against despotism, and as such have enlisted the sympathies of even the soldiers, who have acted in concert with the strikers; and it must be remembered that in the sympathy of the soldiery of Louis XVI. for the rioters lay the cause of the success of the French Revolution. A large force of military was kept in readiness to suppress any signs of disorder, but no pretext for an attack occurred till a mass meeting, held at Odessa July 31st, was dispersed by a large force of infantry and Cossacks, who used their whips with such force that eight persons subsequently died of injuries received, and over thirty were permanently disabled. Some hundreds of strikers were also arrested and sentenced to imprisonment.

The condition of the peasantry and of the working classes, bad as it is, is not in itself accountable for these disturbances, which cannot be regarded as spontaneous explosions of discontent. The discontent is there, but it is utilised and manipulated by well-organised forces. The most active of these is the new Russian Socialist Revolutionary party, which differs from the older Russian Social Democratic party in being less doctrinaire and more opportunist. It has two press organs—a fortnightly paper written expressly for the

peasants, printed outside Russia, smuggled over the frontier, and widely circulated; and a half-yearly review entitled The Messenger of the Russian Revolution. A third party, the Liberal party, which comprises many men of wealth and position, is less active in its methods, but it too has its own organ, the *Osvobojdenie*, published at Stuttgardt and edited by the well-known economist, M. de Struve. In its ultimate ideal, the future abolition of autocracy, it is at one with the Socialist organisations. The strikes and riots briefly alluded to above show the influence which the older Socialist organisation has already obtained: it has not, however, so far succeeded in reaching the heart of the Russian people. The strikers have been Armenians at Baku and Tiflis, Tartars in the Crimea, immigrant Circassians at Rostoff, the frontier population at Odessa, Poles, and Jews; but the peasant nucleus of the nation remains untouched. The new party lays great stress on the importance of reaching the peasants, and emissaries are sent among them to instruct and organise them. Attacks on property sometimes ensue, but the press is not allowed to report anything which indicates dissatisfaction among the peasantry. Unless, therefore, the affair reaches large proportions, the world hears nothing about it. The Liberal party has outlined a programme of reforms which cannot, it believes, be long delayed, and its organ, the *Osvobojdenie* (Liberation), is issued with the object of taking part in the great struggle for (1) personal rights, (2) a share for the people in legislation and administration, and (3) freedom of conscience. To carry out these reforms the Liberal party demand the freedom of the press, freedom of meeting and association, and the right of petition. When these preliminaries are secured they will agitate for a popular representative assembly without distinction of class, to be summoned yearly and having the supreme control of legislation and the right to criticise and approve the budget.

It was inevitable that the spirit of disaffection, which we have traced at work throughout every rank of civil society, should at length reach the armed forces of the State, which, especially under an autocratic form of government, constitute the ultimate basis of its power. We have seen that in the disturbances at Kieff in 1902 the soldiers sympathised openly with the rioters, and the most recent information from Russia shows that revolutionary propaganda have been carried on within the army for the last two years at least. It is reported that, in August 1902, General Kourapatkine issued a circular to the Commanders-in-Chief of several governments warning them to be on their guard against attempts to spread disaffection in the army, and giving many instances in which such attempts had been made. The propaganda, he said, were carried on by the distribution of letters, pamphlets, and proclamations, which in one case were discovered to have been lithographed within the military bureau, a fact pointing to the complicity of the officers. Sailors also have taken part in the movement, for General Kourapatkine's circular mentions particularly the action of some sailors at Sevastopol, who tried by personal influence to seduce from their allegiance the men of the 13th Division of Infantry. Previous to this, in April 1902, Admiral Hildebrand had issued an order to the Black Sea Naval Division explaining that the distribution of proclamations was a dishonourable action, and that the only freedom worth having was the freedom of a good conscience.[1]

The progressive spirit and independent attitude of the *zemstva* have been characteristic features of the new reform movement. When the Tsar, in September 1902, was on his way to the manœuvres, he was received at

[1] A further circular issued by General Kourapatkine dated January 31st, 1903, bears witness to the success of the propagandist movement throughout the army and to the part played by the Jewish soldiers in connection with it. Even in Siberia the Social Democratic League has established a branch which distributes revolutionary literature in districts as remote as Tchita to the soldiery.

Koursk by representatives of the *zemstva* and provincial nobility, and addressed them on the state of the peasantry and the condition of agriculture. His Majesty recognised the severity of the present crisis, and stated that by his orders measures necessary to meet the difficulty were being studied at the Ministry of the Interior. "Provincial Committees," he continued, "in which the nobility and the *zemstva* will participate, will be called upon in good time to co-operate in this work." A Central Committee of Agriculture under the presidency of M. de Witte had been already constituted in January 1902, and in fulfilment of the Tsar's promise, Local Committees were afterwards added to advise the Central Committee. The *zemstva*, which were obviously the appropriate organs for this work, were, however, not invited to undertake it. They were ignored, and the Marshals of Nobility were empowered to nominate special bodies constituted *ad hoc*. The nobility, however, showed a more progressive spirit than was expected. In many provinces the persons nominated by them were chosen from the *zemstva*, the spirit of the *zemstva* dominated the new bodies, and all M. de Plehve's efforts to silence expressions of discontent with the bureaucracy were of no avail. The Committees reported that no improvement in agriculture could be effected by merely technical methods; it must be sought rather in radical political reforms. The measures recommended by the majority of the Committees were as follows:—

(1) a great increase and improvement in elementary education under secular control;

(2) that *zemstva* should be established in those provinces where they are now non-existent; that they should have larger powers and be more representative than at present;

(3) that the system of village communes should be reformed so as to place the peasants on a footing of equality with the rest of the nation;

(4) the abolition of the protectionist system, which favours industry at the expense of agriculture;
(5) that all impediments to free discussion of economic questions, either orally or in the press, be removed.

It is worthy of note that these recommendations proceeded in the first instance from a Committee which included all the leading officials of the province as well as representatives of the people. The action of these Committees could not fail to arouse the ire of the bureaucracy; many individuals who had taken a leading part were summoned before Ministers and severely reprimanded, some were dismissed from office, three were sent to Siberia. Their work was not, however, without effect, for its results are evident in the remarkable Manifesto published by the Tsar on February 26th (March 11th), 1903. In his speeches at Koursk in the previous autumn the Tsar had promised the peasants that their "real wants" should not remain unheeded, and in his Manifesto he indicated the means whereby these needs were to be met. The portion of the Manifesto which refers to this subject reads as follows: "The fundamental principle of property in common is to be held inviolable, while at the same time means are to be found to facilitate for the peasant the severance of his connection with the community to which he belongs. . . . A reform is to be effected by local representatives in provincial government and district administration." The hopes raised by the Manifesto were, however, very quickly dashed when it became known that the most important of the promised reforms, the representation of provincial assemblies, had been entrusted to M. de Plehve, the Minister of the Interior, assisted by other notoriously reactionary officials. And the outcome of a conference of the Ministers of the Interior, Finance, Agriculture, and Justice held on May 16th made it clear that the coming changes would only strengthen the hands of the

bureaucracy. One reform of the highest importance has, however, been already effected. An Imperial ukase dated March 12th (25th) abolished the collective responsibility of village communities for the taxes of their members. It also gave local or *zemstvo* taxes precedence over those of the State, a change which will enable the *zemstva* to provide for local needs better than has hitherto been possible. This ukase affects forty-six governments, and the contributors of 63 per cent. of direct State and local taxes.

The spirit of oppression which has pervaded the internal affairs of the Empire has been even more marked on its frontiers. The most reactionary event in the annals of modern Russia is the abrogation of the constitution of Finland, by which act the Tsar has "thrown away the love and loyalty of a nation." Nicholas I. abolished the constitution of Poland, but not until rebellion provoked him to severity. Alexander III. deprived the Baltic Provinces of their ancient liberties, but they, or at least the peasant classes, were discontented, while no shadow of disaffection had ever fallen on Finland. No excuse could be found in the condition of the country, which was the one contented and prosperous part of the Tsar's dominions; but the atrocious measure was carried out all the same, the real reason being the hatred of freedom entertained in the bureaucratic and military circles in Russia.[1]

6. Present Condition of the People

The Russian people, who are now entering upon the death-struggle for freedom, present certain social peculiarities unknown to Western Europe. The

[1] *Contemporary Review*, March 1903. *Fortnightly Review*, June 1903. *Times*, April 5th, 1899; March 18th, 22nd, 1901; March 21st, September 16th, 1902; March 19th, April 3rd, July 16th, August 26th, September 3rd, October 7th, November 16th, 1903. *Times Weekly Edition*, May 2nd, 1902. *St. James's Gazette*, May 2nd, 13th, 1901. *Morning Post*, July 17th, 1902. *Die Neue Zeit.*, No. 41, 1895, p. 459. *Osvobojdenie*, June 18th, July 1st, 1902.

highest class derives its influence, not from hereditary noble birth or the possession of land, but simply from the fact that its members are State officials. Russia, of course, possesses a hereditary nobility, and many untitled families of noble birth; but even the highest of hereditary titles—that of prince—may be borne by persons earning their daily bread by manual labour, and by itself commands no respect. The highest social class has been and is largely recruited from foreign sources. It is cosmopolitan alike in its origin and aspirations. The man who is *ipso facto* noble is the State official: the very word for a noble in Russian, *Dvorianine* (man of the court), sufficiently explains that the whole class regards itself as depending upon the favour of the autocratic sovereign for its dignity and social position. "No other distinction being recognised in society than that derived from official position, Russian nobles could never play the part of the old barons of England," nor could they form an influential "opposition" under a system of party government, for to be in opposition they must be out of office, and with loss of office would disappear the whole of their social and personal influence. This fact alone shows that Russian society must undergo considerable development before the country is ready for constitutional government as we understand it. While the bureaucracy retains its present influence no far-reaching reform is possible; for it has shown over and over again that it can crush any social force and mutilate any free institution. But bureaucracy derives its power from an unlimited monarchy, behind which it can always shelter. "I was never the enemy of the people; I executed the orders received from above," were the words of M. Sipiagin when he fell under the death-blow of the assassin. The irresponsible power of the Tsar must be limited, if freedom is to be attained.

A social class full of hope and promise to the State is that of the *Odnodvortsy*—literally men of one estate, that is, possessors of a house and farm which they

cultivate themselves. They number something like two millions, and resemble to some extent the English yeoman freeholder of a former time. This class has never been corrupted by official distinctions, or demoralised by the communal system. It is intelligent, independent, and honest, and from it the lower class of civil and military officials, and the small traders and manufacturers—if they are of Russian race at all—are principally drawn. Though claimed in ever-increasing numbers by industrial pursuits, many of these still cultivate their little properties, and their presence should serve as a check upon the extreme revolutionary ideals for which Russians have already suffered so much. Commerce and industry have of late years occupied a large number of true Russians, but in the early days of Russian industry the pioneer work was done mainly by foreigners, who were permitted to settle in Russia for the purpose of developing its industries. Many of the oldest firms still trade under German, French, or Belgian names, even when the business has passed into native hands. The preponderance of Jews among those engaged in industry presents a serious problem to Russian statesmanship. There are in Russia, exclusive of Poland, three and a half million Jews who, like other foreigners, are nearly all settled in towns, so that it is estimated that "over one-third of the urban population of Russia consists of foreigners, whose life has little or nothing in common with that of the Russians properly so called. The relative importance of this non-Russian element in town life is increased yet more by the fact that, except where the Jews reside, nearly all the foreign settlers occupy the superior positions of merchants, dealers, manufacturers, employés, or skilled artisans, while the unskilled workmen are of Russian race." The Russian workman is still generally half a peasant, and returns to his village with the beginning of summer, and this compulsory tie to the land has hitherto operated against full industrial success. Now, however, that he may

legally leave his village and not be held responsible for a share of its taxes, it is likely that the peasant will tend to become a working-man in the Western sense of the word. Even now a certain amount of industrial occupation is absolutely essential to his existence, for an elaborate calculation has shown that agricultural labour can provide work for only half the time that the Russian people have at their disposal. The rapid growth of population, which is now increasing at the rate of nearly two millions a year, renders the extension of manufactures the more imperative; and as manufactures in their turn demand a market, the Russian people turn with ever-increasing eagerness towards the East, where a great market awaits them, not only in Russian Central Asia, but in China, Chinese Turkestan, and Persia.

The passionate attachment of the Russian peasantry to the Orthodox Church is a matter of common knowledge. The Russian Church is, as we have seen, a national as well as a divine institution, and devotion to the Church is regarded throughout Russia as the test of true patriotism. Russians are moreover, by nature, of a profoundly religious temperament, and find nothing irksome in obeying the behests of a Church which makes its influence felt in every department of life. Their devotion is, however, very largely a matter of ceremonial observance, and has hardly any influence over their intellects or control over their morals. The peasants are scrupulously exact in their observance of the fasts and festivals of the Church, both of which exert a most injurious influence upon their economic welfare. The long and rigorous fasts lower their vitality to such an extent that an increase of mortality is clearly discernible towards the close of periods of abstinence, while the excessive number of holidays curtails the hours of labour unduly. The more moral portion of the Russian peasantry are as a rule to be found among the Dissenters, who number about fifteen millions. The larger and older of the sects, after enduring much

persecution, have won for themselves a certain degree of toleration, but the way of the Dissenter is made hard in Russia. No member of the Orthodox Church is allowed to change his religion; he may be condemned to a period of penance in a monastery for merely entertaining the idea, and, if he carries out his intention and actually separates from the Church, he may be deprived of his civil rights, his heirs may claim his property, and finally he may be deported to a penal colony. The Tsar's Manifesto, which was welcomed as a declaration of freedom of conscience, states, with what seems very like irony, that the future policy of the Government will be to "strengthen the undeviating observance of the principles of tolerance laid down by the fundamental laws of the Russian Empire." What these "principles of tolerance" are we have just seen, and, if they are to be more strictly observed than ever, the Manifesto can only mean that dissent is to be suppressed with greater rigour than heretofore. The Manifesto is, of course, a composite document, and, as Mr. R. E. C. Long points out, its general promise of religious freedom with a specific assurance "that the law will remain unchanged, is one of those contradictions of which only a dozen Ministers, each with his own amendment, could be capable." The influence of the Church upon the peasantry generally is enormous. Their absolute faith in its power and efficacy affords them consolation for the trials of their wretched existence, and the ecclesiastical power, supporting as it does the civil in the maintenance of peace and order, is on the whole a great civilising agent, which Russia could ill afford to lose. The great desideratum of the Church and of the nation is more education and enlightenment. The clergy are divided into two classes—the Black or Monks, from whom alone the dignitaries of the Church are selected, and the White or ordinary parish priests. The monks in the monasteries spend their time in fasting and prayer, and are not engaged in any special work. The secular or parish priests are a class apart. The sons of

priests, they marry priests' daughters, are educated in ecclesiastical seminaries, and spend their lives cut off from the society of all but the ignorant peasants around them. Until very recently the whole body of priests were strongly conservative, and might have been reckoned on to support any measures imposed by the Government, however arbitrary and reactionary; but the outburst of indignation among the seminarists on the excommunication of Count Tolstoy shows that liberal ideas are beginning to penetrate even into this stronghold of autocracy. The great majority of the clergy are, however, still very ignorant, and their morals by no means irreproachable.

For the education of the people the Government does as little as it possibly can. "Indifferent to learning as the great bulk of the Russian peasantry and lower classes are," said Mr. Harold Frederic, "they show more fondness for the schools than do their rulers. We have in Russia the absolutely unique spectacle of a Government exerting its powers to prevent its own Orthodox people obtaining an education. Since 1887, almost every year has brought its administrative order imposing further restrictions upon the admission of pupils." There is no uniform system of education: schools are established by different Government departments, by local bodies, and by private effort, but the general control of schools when established is placed under the Ministry of Public Instruction. The Holy Synod and the *zemstva* each support a large number of schools, and "a by no means friendly rivalry exists between them, as the latter are as progressive as the present policy of the Government permits," while in the schools established by the Synod instruction is confined to the Russian and old Slavonic alphabets, the Church Catechism, and the rudiments of arithmetic. Schools are few in number, scattered over wide areas, open only in winter, and staffed with teachers whose annual salary averages about £6, and who are, therefore, often dependent upon the charity of the

parents of their pupils. The number of children receiving elementary instruction in schools of all kinds in 1898, the latest year for which statistics are available, was 4,200,000. This implies that only a little more than a quarter of the population of school age receive instruction of any kind. But the children of Jews and some of the Dissenters, though excluded from the public schools, are taught to read and write at home, and the education given by the village schoolmaster seldom exceeds this minimum. The proportion of illiterates among the adult population is very high, the general average being in 1885 as high as 73 per cent. and in Great Russia at the present time 94 per cent. The ignorance which prevails permits superstition of every kind to flourish among the peasantry. Belief in magic, possession, and the power of spirits is general, and often produces acts of cruelty towards the supposed victims of demoniacal possession. That this ignorance is the misfortune of the people rather than their fault is evident from the fact that universal education at the expense of the State was the first requirement of the Local Agricultural Committees appointed in 1902, to which reference has already been made. The *zemstva* are, in fact, willing and eager to establish schools, if they had the means ; but those in authority are afraid to entrust to the people so powerful a weapon against the arbitrary power of their rulers. M. Pobiedonostseff prefers to trust to the power of "inertia," which he styles "the fulcrum of progress," and declares to be "absolutely essential to the well-being of society." The Russian people are, as we have seen, very far from being as happy in their ignorance and as content with this inertia as the Procurator of the Holy Synod would have us believe.[1]

Dissatisfaction with the existing order is to be found in every class of society, and it cannot be doubted

[1] *Fortnightly Review*, June 1903, p. 971. H. Frederic, "The New Exodus," pp. 156-60. F. H. E. Palmer, "Russian Life in Town and Country," chs. xiv., xxi. E. Noble, "Russia and the Russians," p. 254.

that the nation is slowly gathering its forces together in protest against the Government which has allowed such a state of things to come into being. The newest reform movement is strictly moderate and reasonable in its demands. It has nothing in common with the revolutionary madness of the Nihilists, and though more in sympathy with the ideals of Socialism has not as yet allowed itself to make common cause with the Social Democratic party. In this, I believe, it has shown a real insight into the needs of the country. What Russia wants now is not social and economic reforms—these were given it by Alexander II.—but political changes. Russia has outlived autocracy, and it is vain now to urge that this is the only possible mode of government under which she can exist. Autocracy has nothing peculiarly sacred about it! It is merely a form of government suited to an early stage of political development, and the capacity of Russians for self-government has been shown in the republics with which the country was studded in the thirteenth century. From this stage Russia is emerging, and she must now find for herself some modification of autocratic rule, under which her growing energies may expand. For fully developed constitutional government she is not yet ready, but the people are demanding a share in the government, and this they cannot have unless the Tsar is prepared to concede a representative assembly with the possession of rights. A merely consultative assembly, whose recommendations might be accepted or refused at pleasure, would not meet the present need. What is wanted is a perfectly independent organ with a decisive voice in public affairs. The power of autocracy would then be defined and limited, and the tyranny of bureaucracy would be broken. Such an assembly will not be conceded without a struggle, for it cannot be expected that the Tsar will voluntarily limit his own power, or that he will be incited to do so by the numerous class of officials whose influence depends upon the

maintenance of the existing system. Bureaucracy will strive to the last to retain its position, the nobility as a class are impotent to effect any great change, while the peasantry might rise in revolt, but are powerless to lead a reformation. If the twentieth century is to bring reform and not revolution, the hope of the future lies with those bodies who have already shown a capacity for self-government and a reasoned desire for political reform—the *zemstva.*

The most encouraging feature of the new reform movement is the political attitude of the *zemstva*, and the part played by their members in the recent action of the Local Agricultural Committees. If they are allowed to carry out their own aims, the work of reform may be quietly effected from within. Definite practical proposals are not wanting. In his memorandum presented to the Tsar on January 5th (18th), 1903, M. Demchinski recommends that their old powers should be restored to the *zemstva*, and that the provinces and governments should be arranged in groups, each containing five or six provinces of approximately the same character, and that the affairs of each group should be managed by a *zemstvo*, composed of delegates elected from the smaller organisations; and, finally, that each of these larger *zemstva* should send delegates to compose a central or national *zemstvo*, sitting by preference in Moscow. It is possible that, should some such plan be adopted, the communist temperament of the people may incline them to look for a solution of the difficulties that beset them in legislation of a Socialist character. Community of land is the basis of the existing state, and if, as the Tsar said in his Manifesto, this principle must ever be held inviolate, it will also be regarded as only the first step in a collectivist policy of national economy. Socialism need not necessarily imply revolution, but the patience of the Russian people is now strained to the breaking point; and the inevitable change, which, though it may still be delayed, has never seemed so near, will, if not

made from above with a good grace, be surely accompanied by an outburst from below, exceeding in horror anything that history records of the French Revolution. A terrible responsibility rests with Nicholas II. and his advisers. The handwriting is on the wall. If they can read it rightly and in time, it is difficult to set any bounds to what may be accomplished by the genius, valour, and religious enthusiasm of this gifted people. If not, the way will be prepared for secret societies of the type familiar to students of Russian dissent and Russian Nihilism, to play a part which will rival the horrors of the revolt of Pugatcheff in the eighteenth century, and at once astound and appal mankind. Meanwhile it is an exciting moment for a foreign observer to pass in review the ideals which the Russian nation has hitherto set before itself under the autocracy, the principal men who are now translating those ideals into practice, and the economic conditions which Russian ambitions have so far produced, and by which the realisation of those ambitions must in the future be restricted.[1]

[1] "Russia on the Eve of the Twentieth Century," pp. 143-60. Palmer, "Russian Life in Town and Country," chs. xiv., xxii. *Times*, March 13th, September 20th, 1903. *Morning Post*, July 26th, 1902. K. P. Pobiedonostseff, "Reflections of a Russian Statesman," p. 80.

CHAPTER I

RUSSIAN AMBITIONS

1. Slavophiles and Panslavists: (*a*) History; (*b*) Ideals; (*c*) The Slavonic Union; (*d*) Panslavists; (*e*) *Narodniki*.—2. M. Pobiedonostseff and Count Tolstoy.—3. Prince Uchtomsky.—4. M. de Witte, M. de Plehve, and M. Bezobrazoff.—5. General Kourapatkine.

1. Slavophiles and Panslavists

The romantic movement which had its beginning in Germany in the early years of the nineteenth century was destined to spread far beyond its original limits. Its influence was felt in many other lands, but its root principle of reaction against the individualism of the eighteenth century was modified in the various countries to which it spread by the nature of the economic conditions there existing. In England it served the cause of freedom and the emancipation of the working classes, in Germany one result of the movement was the development of State Socialism, in Russia it led to a reactionary glorification of the old economic conditions, based upon agriculture and community in land, though the people who supported this idea were not the peasants themselves, but the industrial population of the large towns. Thus Moscow, ever since its industrial development, has been the warmest supporter of Slavophile or old Russian ideals. The Slavophile party has existed since the fourth decade of the last century, when its leader was the elder Aksakoff, but it did not become a power in practical politics until the close of the 'seventies. Its predominance coincided with the

accession of Alexander III., and was marked by the conversion of the Moscow *Viedomosti* from free trade tendencies to the ardent advocacy of protection. But however Chauvinistic the ideals of the Slavophile party have become, the impetus which gave rise to them was by no means purely Russian. The elder members of the party were educated at German universities, and their principles found an eager exponent in the German Professor of Literature at the High School of St. Petersburg. The movement was in its origin purely literary and ethical; economic considerations were forced upon it by the economic development of the country; and at last, in the 'seventies, it put forth a political programme.[1]

The starting point of Slavophile teaching is opposition to all things Western, because Western Europe is the sphere of industrialism and competition. To these, as they believe, destructive forces, the Slavophiles oppose an ideal which was more or less realised in the life of the Russian people in the past. The peasant with his strength of passive endurance, his non-resistance to oppression, his few wants and absolute content with any circumstances short of starvation, is the ideal which they are trying to preserve. Western culture and freedom of thought would destroy it, and therefore the Slavophiles oppose all intellectual progress, being in this supported by the Orthodox Church. "The social order of the West rests upon a false foundation," wrote Aksakoff; "Atheism, Anarchism, and Materialism, and the growth of the proletariat are its natural consequences. . . . It is a blessing for Russia that she detests all Western culture and has preserved her Orthodox faith. Our Church remains pure, and the State has its foundations in the absolute will of the Tsar." According to this view, the nobles, with their vaunted freedom from prejudice and scepticism, had forfeited their claim to be leaders; the hope of the nation lay in the people—that is, in the peasant. "The

[1] Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 172-80.

regeneration of Russia can only be rendered possible by means of the peasant." The moral characteristics of the peasant are, according to the Slavophile, all gathered up and expressed in the institution of the village community. The periodical redistribution of land presents the sharpest possible contrast to the greedy self-seeking of Western Europe. The lack of energy in defence of his own interests which this system reveals is regarded as a sign of moral superiority on the part of the *moujik*; the village community represents "the highest act of individual freedom—viz., self-renunciation."

In virtue of this system and the moral characteristics upon which it is based, Russia is regarded as having reached a higher and truer stage of civilisation than Western Europe. "European society," so Professor von Schulze-Gävernitz expresses the views of the Slavophiles, "in spite of its brilliant exterior, is built on shifting sand ; its coherence depends simply on considerations of personal interest, on the money tie. The fabric of Russian social life on the contrary is firmly knit together by the prevailing principle of community which everywhere pervades it." A "social question" is impossible, there is no proletariat, no opposition between labour and capital, no hostility between the owner of land and its cultivator—in short, the Russian people, with their feet firmly planted on the soil, are the heirs of the future, which the perplexed nations of the West are already yielding to them. It is at this point that the Slavophiles come into touch with the Socialists of Russia. The realisation of the Socialist state demands a virgin soil : Europe, with its long past identified with private property, cannot afford such a ground, but the Slavonic peoples, whose existence is already based upon the root principle of Socialism, provide exactly the sphere required by the Socialist ideal. Herzen was of opinion that by this means Russia will solve the social problem and take the lead in the future evolution of the human race.

In matters industrial the ancient Russian ideal is again predominant. The truly national industry must be the *kustar* (cottage industry) of the rural population, to which they devote the time which is not absorbed by their agricultural labours. The Slavophiles only tolerate the presence of factories as a temporary measure necessary for the introduction of technical improvements on the condition that patriarchal relations prevail. The workers must yield the unquestioning obedience of children, while their employers feed and maintain them with parental solicitude. The nation which thus feels itself in possession of true economic freedom can afford to dispense with that mere appearance of freedom bestowed by constitutional government. Party government would be impossible, say the Slavophiles, because it would not correspond to anything existing among the people. Their interests are one, and the Tsar is one, therefore autocracy is the only form of government suited to them. Any limitation of the absolutism of the ruler is impossible because he represents the self-consciousness and the will of the people.[1]

The Slavophile ideal, which has adapted itself to the times, is now represented by the Slavonic Union. Its membership is not large, but the members are all persons of position and influence. The President is General Ignatieff, and its organ is the *Sviet*, with a circulation of nearly 100,000 copies a day, one of the most widely read papers in Russia. The object of the Union is to strengthen the national feeling of the Slavonic peoples by encouraging the national language and religion; or, as the President of the Slavonic Society of Moscow said in 1901: "Our object is to achieve the unity of many millions of Slavs in the spheres of intellect and civilisation, without attempting to unite them into one State or one Church." But though the political union of all the Slavonic races,

[1] Schulze-Gävernitz, "Volkswirtschaftliche Studien aus Russland," pp. 180-86. F. Schütz, "Das heutige Russland," pp. 98-9.

which was the hope of Panslavism thirty years ago, is now recognised to be a counsel of perfection, the propaganda among non-Russian Slavs are not therefore abandoned, but are carried on more practically than before. Russian influence is gradually permeating the Balkan States, but the means employed are generally rather ecclesiastical and literary than political. Bulgaria, after a momentary attempt to assert its independence in 1885, returned to its allegiance to Russia, and Prince Ferdinand signalised his repentance by the baptism of his infant son according to the rites of the Orthodox Church. The Shipka Pass fêtes, in September 1902, gave a renewed sign of the amicable relations existing between Russia and Bulgaria. The Tsar was represented at the celebrations by the Grand Duke Nicholas, the Army by General Kourapatkine, and the Slavonic Union by its President, General Ignatieff, who was received with special warmth. The fact that General Ignatieff was present at all marked the Panslavist character of the festivities and indicated that Panslavism was regaining some of its former influence. The *Sviet* alluded to the occasion as a moral victory, "which caused Bulgaria to fall into the outstretched arms of Russia," and the more official *Novoe Vremya* described the celebrations as the "final confirmation of the fraternal relations between Russia and Bulgaria," in which "the last remnants of the distrust and suspicion encouraged by Stamboloff have been finally dissipated." In Servia Russia has long been busy in stimulating national feeling and encouraging Servian claims in Macedonia by the collection of folk-songs and philological investigations, which go to prove the Servian origin of the Macedonian Slavs. The *coup d'état* in 1903 has received the sanction of the Tsar, and King Peter is as dependent on Russian protection as was the late King Alexander.

The ecclesiastical propaganda now being carried on are of so active a character that it has sometimes been said that Panslavism has given place to Pan-Orthodoxy.

In Syria, Palestine, Macedonia, Albania, and Abyssinia, Russia is putting forth all her powers to undermine the Greek character of the Orthodox Church and to mould it to a Slavonic pattern. The Imperial Palestine Society, originally founded to protect pilgrims to the Holy Land, is the main instrument of Panslavism throughout the Near East. By its aid one of the monasteries on Mount Athos has been captured and made the centre of Slavonic agitation. In Syria and Palestine it is aiming at the ultimate expulsion of the non-Orthodox Greek clergy, and meantime does all it can to weaken their influence. In these endeavours it receives the powerful support of the Procurator of the Holy Synod, who exerts a preponderating influence over the Tsar and the internal ecclesiastical affairs of Russia. It will thus be seen that Panslavist ambitions embrace a very wide area, and might, if carried to their logical conclusion, embroil Russia in war at any moment. Austria is immediately threatened by Russian expansion in the Balkans, and Germany is affected by any movement which impairs the integrity of Austria, while in Syria and Palestine the missions established by France, Italy, and Germany—to say nothing of the Turks who are in possession—are all interested in checking M. Pobiedonostseff's dream of a Slavonic East.[1]

Panslavist ideals were a later and more political development of the older Slavophile doctrines. Where the Slavophiles were visionary and theoretical, the Panslavists put forward a definite political programme. But their ideal, though definite, was far grander and more comprehensive than that of their predecessors. In the political outlook of the future they saw Russia as "the great world-power stretching from the Grecian Archipelago to the Arctic, and from the Adriatic to

[1] Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 186-92; F. Schütz, "Das heutige Russland," pp. 99, 104-9, 113, 116; *Times*, October 6th, October 14th, November 27th, 1902. But see on this point the concluding chapter, *infra*.

the Pacific Ocean," with the whole of Asia as a field for conquest and colonisation. The mission of this great Slavonic power was to destroy the individualism of the West, and to spread a true form of civilisation, based on the economic security of the masses, for the common possession of land by the people is the foundation of the Panslavist no less than of Slavophile ideals. These doctrines were set forth in a book entitled "Russia and Europe," by Danilefsky. The Ottoman power, which had ever done good service in protecting the Slavonic peoples from Western domination, had become a mere plaything in the hands of Europe. It was, therefore, to be overthrown, the cross was to stand once more on the mosques of Constantinople, and the scattered Slavonic peoples, who now submit to the Turkish or Austrian yoke, were to place themselves under the protection of Russia as their only "anchor and refuge." The attitude of the Panslavists towards the rest of Europe was one of indifference or hostility, and under their influence the fiscal policy of the empire became highly protective. The importation of European goods was as abhorrent to them as was the influence of Western culture to the Slavophiles. Western ideas find their highest development in England, and England accordingly was the chief foe of the Panslavists, who saw in her the born enemy of Russia in Asia. India was believed to be groaning under British oppression, and the Panslavists always spoke, not of the conquest, but of the "liberation" of India. War with Europe would have been welcomed by them as a means of brushing off the thin coat of Western culture which hid the true nature of Russia, and of uniting all Slavonic peoples under her sceptre.

The Panslavistic ideal in this extreme form is no longer a leading force in Russian politics; indeed the name has recently been given (as in the reports of the Shipka fêtes) to the less directly political aims of the Slavophiles. In recent years it could not be said, as the Moscow *Viedomosti* said in 1887, "that Panslavism

in Russia is not the programme of any single party, but the political creed of the whole people." Count Mouravieff expressed the later view, when he said in 1895: "I am a Slavophile, as all Russians are in their inmost hearts"; but he added, and the words mark the difference between Panslavism as it was and as it is, "but I am no Chauvinist. . . . For no State, not even for the British Empire, is peace of such vast importance as for us." And even so staunch an upholder of all things Russian as the Procurator of the Holy Synod regards the political union of the Slavonic races as an idea which "no reasonable man can entertain." These considerations do not, however, as we have seen, prevent the Panslavists of the present day from doing everything in their power to advance the dominion of Russia both political and intellectual.

Professor von Schulze-Gävernitz in his comments on the ideas of Slavophiles and Panslavists points out that they both rest on a false foundation. Firstly, because those who hold them have failed to see that intellectual is dependent on economic development. The moral qualities of the peasant, so much belauded by the Slavophiles, could not exist in a higher stage of economic evolution. The endurance and non-resistance of the peasant are drawbacks to him in the struggle for existence, where a higher degree of sensibility would be an advantage. The qualities singled out for eulogy, moreover, are not characteristic of the richer and more progressive peasants; these are as eager as any bourgeois to acquire and to retain property, and in them, not in the *moujik*, destitute alike of wants and the power to satisfy them, lies the hope of the nation. Secondly, the very protective policy which has been favoured by the Slavophiles has tended to destroy the agricultural and communal system (*Naturalwirtschaft*) which is the foundation of all their theories. The increase of taxation consequent on protection has forced the peasant to grow corn for export, or in some

cases to renounce agriculture altogether, to become a factory hand and base his existence upon the system of money (*Geldwirtschaft*) which is the object of their reprobation.[1]

The "national" ideals described above led, as we have seen, in practice to the introduction of Western capitalism. To check this tendency a party arose who called themselves *Narodniki* (*Nationalists*), whose views may be shortly described as consistently Slavophile. These views were put forward in two books which were published anonymously, "The History of Capitalism in Russia," which appeared in 1883, and "A Sketch of Our Social Life since the Reform," by "Nicolai-on," also published in 1883. The *Narodniki* never attained to political power, but their ideas deserve consideration because they still exercise considerable influence on the intelligent classes, and because they have found their chief exponent in Count Leo Tolstoy. The community of land forms the basis of their beliefs, and since population is increasing and the land now in the possession of the peasants does not increase, they advocate the gratuitous distribution of the estates of the nobles among the people. The land is to be so cultivated, that its owners will have enough for their own simple wants but nothing to spare for taxes, nothing for export, nothing to support high political ends. The *Narodniki* are therefore entirely opposed to the schemes of conquest encouraged by the Panslavists.

In industrial matters they aim at the abolition of capitalistic production, and believe that a growth so alien to Russian soil will easily be extirpated. "Community of possession," says Nicolai-on, "is our inheritance from the past, and thus scientific agriculture and modern industry must be so based upon this principle of community that they may be transformed from a

[1] Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 193-208. F. Schütz, "Das heutige Russland," pp. 63-4. *The Observer*, September 11th, 1898.

capitalistic to a communistic form." It is consistent with these views that the *Narodniki* should extol that old Russian form of co-operative industry, the *artel*. "The people themselves had worked out the idea of the *artel*, an organisation non-existent among other nations, from a deep knowledge of human nature, and from the principles of justice, intelligibility and humanity," says Simkovitch. As a matter of fact, however, *artels*, though they still exist in the more primitive occupations, such as fishing and transport, are disappearing in the more complicated trades. The decay of the *artel* system and the inadequacy of village communities to modern needs are facts too patent to be denied, even by those who regret them.

The Nationalists therefore, who belong to a later age than the Slavophiles, rest their hopes upon the intelligence of the rising generation. Young students and members of the learned professions are to "go to the people," and reawaken the slumbering fire of the communal spirit. Examples have been set in the "Colonies" founded by members of the upper classes for the practice of a simple life on communistic principles, but these "Colonies" have not proved to possess any vitality. The tendency of the peasants, when opportunity offers, is quite in the opposite direction. Self-advancement and not self-sacrifice is the characteristic of the more enlightened, and, while the followers of Tolstoy are bringing themselves to ruin, the more prosperous peasants are carefully saving money. The "Colonies" have been confined to agricultural enterprise, for the *Narodniki* have not advocated co-operative associations of students and peasants as the managers of railways, great factories, or ironworks. These undertakings they would hand over to the State, which in the past alone controlled and managed works of such a kind.[1]

[1] Schulze-Gävernitz, "Volkswirtschaftliche Studien aus Russland," pp. 208-23.

2. M. Pobiedonostseff and Count Tolstoy

Amongst the leaders of thought in Russia at the present time, there is no one whose views are more characteristically Russian, and more full of challenge to all the theories of Western civilisation, than the Procurator of the Holy Synod, whose position gives him an influence over the Russian Church and nation only comparable to that of the Pope in the Roman Catholic Church. M. K. P. Pobiedonostseff, who was born in 1827, was formerly Professor of Civil Law at Moscow, and was tutor to the Tsar Alexander III., whose most intimate adviser he afterwards became. His deep learning and unblemished character, and still more the integrity of his motives and absence of all self-seeking and opportunism, commended him to Alexander III., who sought for sincerity above all else in his advisers, and there was no department of government, of justice, of science, and even of art, which was not dependent upon him. His influence is now no longer paramount, but is still of great importance, and a factor to be reckoned with in all that concerns the religious and moral life of the nation.

In purely religious questions he has shown himself a consistent and thorough-going champion of the Orthodox Church, and the relentless, and, it may even be said, unscrupulous, foe to all other forms of Christianity within the Russian Empire. In this he has only carried out in actual practice the views he has expressed with such wonderful frankness and force in the "Reflections of a Russian Statesman." His idea of a State, as he here expresses it, involves its intimate connection with a State Church, and for every nation there is one Church alone which corresponds to and satisfies its racial characteristics. Nor is tolerance or compromise possible in religious matters. "The more we consider the distinctive ethnical features of religion, the more firmly we are convinced how

unattainable is a union of creeds—by a factitious accord in dogma—on the principle of reciprocal concessions in immaterial things. . . . The essential elements are so involved with the psychical nature of the race, and with the principles of their moral philosophy, that it is futile to separate one from the other." "The State must not be the representative of the material interests of society alone; were it so, it would deprive itself of all religious force and would abandon its spiritual community with the people. The stronger will the State be, the more important in the eyes of the masses, the more firmly it stands as their spiritual representative." And again: "The Church, as a community of believers, cannot, and must not, detach itself from the State, as a Society united by a civil bond. . . . The faith of individuals can in no way be distinguished from the faith of the Church, for its essential need is community, and for this need it finds satisfaction only in the Church."

With regard to political and social questions M. Pobiedonostseff takes up a position of the strongest antagonism to those institutions on which Western nations are most accustomed to pride themselves—*e.g.*, Parliamentary government, trial by jury, a free press, and popular education. "The Great Falsehood of our Time" is the title of the chapter in which he deals with Parliamentarism. "Amongst the falsest of political principles is the principle of the sovereignty of the people, the principle that all power issues from the people and is based upon the national will—a principle which has unhappily become more firmly established since the time of the French Revolution. Thence proceeds the theory of Parliamentarism, which, up to the present day, has deluded much of the so-called 'intelligence,' and unhappily infatuated certain foolish Russians. It continues to maintain its hold on many minds with the obstinacy of a narrow fanaticism, although every day its falsehood is exposed more clearly to the world."

His chief arguments against Parliamentary government are the inability of the masses of the people to decide on intricate political questions, the evils of party government and party spirit, and lastly, the very interesting argument that Parliamentary government rouses national feeling, and therefore acts as a disintegrating element in states of heterogeneous composition. "It is worthy of note that nationality first appeared as an active and irritant force in the government of the world when it came into contact with the new forms of Democracy. . . . To the supreme Parliament each race sends representatives, not of common political interests, but of racial instincts, of racial exasperation, and of racial hatred, both to the dominant race, to the sister races, and to the political institution which unites them all. . . . Providence has preserved our Russia, with its heterogeneous racial composition, from like misfortunes. It is terrible to think of our condition, if destiny had sent us the fatal gift—an all-Russian Parliament! but that will never be."

The same distrust of the judgment of the people, which he shows in speaking of democratic government, leads him to reject the system of trial by jury. The press appears to him to be the main instrument by which the populace are deluded by irresponsible and self-seeking writers. "How often have superficial and unscrupulous journalists paved the way for revolution, fomented irritation into enmity, and brought about desolating wars!" "Experience proves that the most contemptible persons—retired money-lenders, Jewish factors, newsvendors, and bankrupt gamblers—may found newspapers, secure the services of talented writers, and place their editions on the market as organs of public opinion. The healthy taste of the public is not to be relied upon. The great mass of readers, idlers for the most part, is ruled less by a few healthy instincts than by a base and despicable hankering for idle amusement; and the support of the people may be secured by any editor who provides for the

satisfaction of these hankerings, for the love of scandal, and for intellectual pruriency of the basest kind."

Popular education on the European model presents to M. Pobiedonostseff no remedy for such evils, but quite the reverse. "Everywhere official education flourishes at the expense of that real education in the sphere of domestic, professional, and social life, which is a vital element of success. . . . Seduced by the fantasy of universal enlightenment, we misname education a certain sum of knowledge acquired by completing the courses of schools, skilfully elaborated in the studies of pedagogues. . . . But we ignore, or forget, that the mass of the children whom we educate must earn their daily bread—a labour for which the abstract notions, on which our programmes are constructed, will be vain." Nor is it any advantage to cultivate the reasoning or logical faculties. "In actual life we find that we can seldom trust the operation of the logical faculty in man, that in practical affairs we rely more upon the man who holds, stubbornly and unreservedly, opinions which he has taken directly—opinions which satisfy the instincts and necessities of his nature—than on him who is ready at a moment's notice to change his opinions at the guidance of logic, because it appeals to him as the unanswerable voice of reason." "Faith in abstract principles," he says, "is the prevailing error of our time." No general proposition can be true in a world where everything is conditional. "Men quarrel over ideas and neglect work." Even those who, like himself, can find plenty of work and feel themselves strong when concerned with life itself, with facts, and living forces, are paralysed by the environment of speculation in which they are forced to live. "Practical work is hampered when accomplished in the midst of a disposition to analysis and criticism." M. Pobiedonostseff believes firmly in the national idiosyncrasies of the Russian people, and hence he infers that Western institutions, practicable, though not admirable, in their own homes, would be the utter destruction of a Slavonic people.

Reform, progress, education, are all "catchwords of Western civilisation," which must be understood in an entirely different sense, if they are to be of any benefit to Russia. "If we must have schools," he says, "let them at least be convent schools under clerical supervision." The aim of education must be to bestow, not knowledge, but a training in productive labour. "The vast majority of children must learn to live by the work of their hands. For such, physical training is needed from the earliest age. To close the door to such preparation, that time may be saved for the teaching of schools, is to place a burden upon the lives of the masses, who have to struggle for their daily bread." And again: "That school alone is suited to the people which pleases them . . . but all schools are repugnant to them which are organised in ignorance of the people's tastes and necessities, on the fantasies of doctrinaires." The prevalent aspiration for reform is, to M. Pobiedonostseff, only a manifestation of that spirit of discontent which he characterises as "the malady of our time." We are discontented, because we fancy that happiness and knowledge are attainable by us, whereas the true lot of humanity is "poverty, lowliness, deprivation, self-denial," and its real happiness consists in submission to this law of its life. Discontent with a humble life and a desire for riches have been fostered by the credit system, on which all modern commerce is based. But credit is uncertain, so that success no longer seems the reward of toil, but the result of accident. Men come therefore to depend upon chance, with the consequence that "the sensual instincts awaken with peculiar strength in a life spent in anxious and feverish activity, and founded upon infidelity and accident." [1]

The many-sided life and writings of Count Leo Tolstoy, novelist and religious teacher, Anarchist, political economist, and practical philanthropist, are too well and widely known in England, as well as in all

[1] F. Schütz, "Das heutige Russland," pp. 53-64. K. P. Pobiedonostseff, "Reflections of a Russian Statesman."

other civilised countries, to make any detailed description of them necessary here, and they are only referred to in so far as they are typical of certain phases of Russian thought, and for the purpose of comparison with the views of M. Pobiedonostseff. One could hardly expect to find a stronger contrast to the Procurator of the Holy Synod anywhere, than in the man who in February 1901 was excommunicated by an Edict of the Synod, on the ground that he had not only renounced the teachings of the Orthodox Church himself, but had "devoted his literary activity and the talent given him by God to the propagation amongst the people of teachings contrary to Christ and the Church." To a Western reader, however, the points of resemblance between his views and those of M. Pobiedonostseff are at least as striking as their divergence, for both have the same profound distrust of the civilisation and intellectual enlightenment which are the pride of Western Europe, and the same scorn for the self-assertiveness and self-seeking which accompany them.

Like M. Pobiedonostseff, Count Tolstoy would, in his earlier writings at any rate, have no science or education given to the people, unless it were education in the useful arts of everyday life. "Men of science and art can say that their activity is useful for the people, only if they have made the wants of the people their object; but such is not the case. All learned men are occupied with their sacred business, which leads to the investigation of protoplasms, the spectrum analysis of stars, and so on: but concerning investigations as to how to set an axe, or with what kind it is more advantageous to hew, which saw is the most handy, with what flour bread shall be made, how it may best be kneaded, how to set it to rise, how to heat and to build stoves, what food, drink, crockery-ware, it is best to use, what mushrooms may be eaten, and how they may be prepared more conveniently—science has never troubled itself. And yet all this is the business of science." Speaking to Herr Schütz in

1896, however, he declared himself a "champion of schools and education, in which I see the means of conquering the future. One must not expect miracles from education and culture, they will not bring Paradise . . . but an improvement and a great advantage they do mean." Both writers also lay very great stress on the need for sincerity in all aspects of individual and social life, and find a main cause for the evils of society in the insincerity that pervades it. "First of all," says Tolstoy, "to the question, 'What is to be done?' I answer that we must neither deceive other men nor ourselves; that we must not be afraid of the truth, whatever the result may be." This same motive is to be found in the scathing satire of M. Pobiedonostseff's character sketches, and in the almost brutal realism of many passages in Tolstoy's novels, especially in his most recent one, "Resurrection"; a realism which is to be seen in a far more savage form, devoid of both human sympathy and artistic restraints, in other Russian authors, such as Maxim Gorki.

Tolstoy again, like Pobiedonostseff, finds in the typical virtues of the Russian peasant—resignation, patience, and submission—the true spiritual ideal for the Russian nation, or rather for Christianity at large. But here they part company, for to the Procurator of the Holy Synod the ideal involves submission on the one hand to the civil power, and on the other to the dogmas and authority of the Orthodox Church. To Count Tolstoy, on the other hand, all civil authority appears to be rooted in violence, and therefore to be in itself an evil, and voluntary submission to it a partaking in wrong. Hence in his most recent writings he is an advocate of Anarchism, though it is to be aimed at by a purely passive resistance to, and abstention from, authority. "I am an Anarchist," he told Herr Schütz, "but an Anarchist in a good sense, not in that which the word has acquired through outbreaks of violence." In "The Slavery of our Times," a pamphlet written in 1900, he gives the following threefold answer to the

question, "What should each man do?" "He should, first of all, neither willingly, nor under compulsion, take any part in Governmental activity, and should therefore be neither a soldier, nor a field-marshal, nor a Minister of State, nor a tax collector, nor a witness, nor an alderman, nor a juryman, nor a governor, nor a member of Parliament, nor, in fact, hold any office connected with violence. Secondly, a man should not voluntarily pay taxes to Governments, either directly or indirectly, nor should he accept money collected by taxes, either as salary, or as pension, or as a reward, nor should he make use of Governmental institutions supported by taxes collected by violence from the people. Thirdly, a man . . . should not appeal to Governmental violence for the protection of his possessions in land or in other things, nor to defend him and his near ones, but should only possess land and all products of his own or other people's toil, in so far as others do not claim them from him." It is interesting to compare this with the answer to the similar question, "What must we do then?" which he had given fifteen years before, when he had only insisted on the duty of each individual to renounce any advantages or peculiarities which might distinguish him from others, and to labour for his own support and that of his family.

Towards the Orthodox Church Tolstoy's attitude has also become far more bitter and uncompromisingly antagonistic of later years. In his earlier novels he described some of the services of the Church not without sympathy, but his "Reply to the Synod's Edict of Excommunication" is full of invectives against its rites and sacraments, which to him appear to be only "a base and coarse sorcery." "If there be anything sacred," he says, "it certainly is not that which they call sacraments, but precisely this duty of exposing their religious deceit when one sees it." "Three things I hate," he told Mr. H. Norman, "autocracy, orthodoxy, and militarism." He regards himself as comparatively

uninfluential, and as possessing no body of followers. In his "Reply" he said: "I am well aware that there are in Russia hardly a hundred individuals who share my views, and that the circulation of my writings about religion is so insignificant, owing to the censorship, that the majority of those who have read the Synod's Edict have not the slightest idea of what I have written about religion." It is, of course, true that the public circulation of Tolstoy's works is prevented by the censorship, but he is, nevertheless, widely read, and his influence has made itself practically felt in very distant quarters. Prince Galitzin, in his report on the state of the Caucasus, attributed the growth of dissent there chiefly to Tolstoy's doctrines. "The greatest energy in this direction," he wrote, "is shown by propagandists of the false doctrines of Count Tolstoy. . . . It is worthy of notice, as quite a new departure in the diffusion of the ideas of Count Tolstoy, that whole families have now begun to accept his doctrine. . . . The propaganda of the teachings of Count Tolstoy among the Dukhobortsi are stronger than anything else, and to their influence must be ascribed the obstinacy of these sectarians in their anarchical aspirations." The protest of the students of St. Petersburg University against the Edict of the Synod and their petition to the Metropolitan that they, also, might be excommunicated, show that the Count's teaching is not so restricted in its range of influence as he himself supposes.

The outspoken courage with which Tolstoy has always defended his opinions was never better illustrated than in his reply to a letter asking his advice on some suggestions which the writers proposed to bring before the Peace Conference. The suggestion that some useful public work should be substituted for compulsory military service received his hearty concurrence, but he rejected the notion of bringing it before the Conference as altogether mistaken. The plausible programme of the Peace Conference never deceived him in the least, and in this letter he denounced it as a "hypocritical

institution," which made proposals that it knew to be impossible. After pointing out the practical obstacles in the way of disarmament, he continued, "Had such true enlightenment as I have referred to spread among the peoples, the news of the proposed Conference would not meet with sympathetic echoes and ill-defined hopes. Rather would it encounter contempt and derision, if not indignation." The astonishing fact seems to be, not that Count Tolstoy has been excommunicated by the Synod, but that such views as his should be expressed with such openness in the orthodox, autocratic, and military Russian Empire without incurring any severer penalty.[1]

3. Prince Uchtomsky

Prince Esper Esperovitch Uchtomsky, though holding no official position, is one of the foremost supporters of Russian imperialist policy and of Russian expansion in Asia. As President of the Russo-Chinese Bank, as a member of the Chinese Eastern Railway Board, and as editor of the St. Petersburg *Viedomosti*, he wields immense influence in many quarters, can promote Russian interests in the East, and secure a hearing for his views at home. He accompanied Nicholas II. when Tsarevitch on his travels in Asia, and the record of these travels written by Prince Uchtomsky by order of the Tsar expresses a strong conviction of Russia's imperial destiny and cultural mission in Asia, a conviction which must be regarded as the expression of the Tsar's own views rather than as the mere personal opinions of the Prince. In the second volume of the travels, published in October 1900, Prince Uchtomsky states his belief in the ultimate sovereignty of Russia over the whole of Asia. Russia

[1] F. Schütz, "Das heutige Russland," pp. 80-93. H. Norman, "All the Russias," pp. 47-63. *Times*, April 11th, 1899; March 19th, 1901. *Daily Chronicle*, February 15th, 1899. Count Leo Tolstoy, "What to Do"; "The Slavery of our Times"; "My Reply to the Synod's Edict of Excommunication."

has already claimed so much of the Eastern continent as her own that it is impossible now for her to stop at anything short of complete conquest. "The wings of the Russian eagle are spread too widely over it to leave the slightest doubt of it. In our organic connection with all these lands lies the pledge of our future, in which Asiatic Russia will mean simply all Asia." It will be noticed that in this amazing utterance, which is nothing short of a notice to England to quit India, the Prince bases the claims of Russia to be mistress of Asia on the "organic connection" between herself and the East. Russians, he says, are at bottom Orientals, with an Oriental faith in a single divinely appointed authority. When, therefore, Russia and the East come into contact they coalesce by a process of natural fusion. This is not quite the way in which an impartial observer would describe the storming of Geok Teppe or the massacre of Blagovestchensk, but perhaps the Prince is referring to the future policy of Russia in her dealings with the East. He is the author of the expressive phrase "painless identification" as applied to the destiny of Manchuria, and hitherto it is true that Russia has not appeared in Manchuria in the light of a ruthless conqueror. But the Korean question is not settled yet, and the absorption of China may present difficulties not to be overcome by means of "fusion." It is certainly a fact that, when the difficulties of fusion are once over, Russia does get on well with her Oriental dependants, whom she treats with less condescension than is usual with Englishmen in the East. But when this fact is fully conceded, even supposing it were as important as Prince Uchtomsky would have it appear, it scarcely amounts to an admission that the inhabitants of our Eastern possessions are longing to exchange English for Russian dominion.

China is regarded by the Prince with great interest, because, in happy contrast with India, it has not yet passed under European control, and presents a fair field

for the exercise of Russian cultural zeal. If England be suffered to gain a footing there, China may become another India, only "more suited for exploiting and inexhaustible in its resources." "The principal task of Russia should consist in guarding against such possibilities. For the purpose of acting more consciously in Eastern Asia, Russia should make clear to herself her historical and pre-ordained position on the borders of two opposed systems of civilisation." The Russian system of civilisation is, of course, the Christian, which conquers by the spirit of meekness, while England represents the power of the sword. But when he comes to practical details the Prince is inclined to rely less on "organic connections" and the spirit of self-sacrifice and more on the usual methods of diplomacy, while the fate he proposes for the Power most likely to hinder the progress of Russia is nothing less than a war of extermination. His views on this subject were expressed in an authoritative pronouncement to Herr Paul Rohrbach for publication in a German magazine, with the avowed purpose of gaining the support of the German public. The Prince states that the objects of Russia are: first, while protecting the present dynasty in China, to take up the position of a benevolent guardian, who will give good advice and introduce Russian ideals; secondly, to acquire a position of dominating influence in regard to Chinese trade; and thirdly, to form a Continental alliance to crush Great Britain. The exclusion of British manufactures from China cannot be effected by purely commercial means. Russia has no hope of underselling England, but she nevertheless cherishes the idea of eliminating her from the rivalry of nations in the Far East by involving her in a ruinous war. The point of attack is to be the Pamir, that vulnerable spot in the frontier of India where, in the words of another prominent Russian, England has a hole where she should have a wall.

But whatever agreement may be made with Germany respecting China, the interests of Russia and

Germany in the Near East are so inimical that they may well prove a counterpoise. Even Prince Uchtomsky, who dislikes the idea of Russian interference in the Balkans, has to admit that public opinion would not allow of any concession to Germany in that region.

"The whole Russian nation," he said in his statement to Herr Rohrbach, "has for hundreds of years so nursed the idea that these peoples, who are united to them by the ties of race and faith, have a right to alliance with Orthodox Russia, that their strongest antipathy would be awakened if Germany required a repudiation of the Balkan claims." In Asia Minor, too, where Germany is looking for new fields for colonisation, Russia bars the way, and Prince Uchtomsky stated distinctly that Russia would look unfavourably upon any schemes of colonisation there which Germany might entertain. He suggested that Germany should seek an outlet in South America instead, forgetting, perhaps, that the wings of the Russian eagle have not yet spread across the Pacific, and that South America is not an imperial appanage of which his master may dispose at will.[1]

4. M. de Witte, M. de Plehve, and M. Bezobrazoff

The strongest contrast to the reactionary policy of the Slavophiles, and to the visionary idealisation of Russian characteristics to be found in the writings of M. Pobiedonostseff, is presented by the policy, writings, and personality of M. de Witte, from 1893 to 1903 Minister of Finance, since August 1903 President of the Committee of Ministers, and probably still, next to the Tsar, the most important and influential person in the Russian Empire. His policy has been directed to the remodelling of Russian finance and

[1] Wirt Gerrare, "Greater Russia," p. 279. P. Rohrbach, "Fürst Uchtomski über Deutsche-russische Politik." *Fortnightly Review*, April 1901. *Athenæum*, October 20th, 1900. *Forum*, October 1898, p. 129.

industry upon European lines, and the vastness of his schemes, and the vigour and success with which they have been, in some directions, already carried out, recall the transformation of the Empire by Peter the Great. M. de Witte is a man of ideas, no less than the Procurator of the Holy Synod, and it is possibly because of the number and magnitude of his schemes that he has neglected details, and laid himself open to criticism by the numerous errors in his financial statements and reports, which seem hardly in accordance with his business habits and capacity. He was born at Tiflis in 1849, where his father was a member of the Viceregal Council of the Caucasus. But he is practically a self-made man, having begun his career as a railway official, and risen to the position of General Manager of the South Western Railway Company. He is said to have first attracted official notice by writing on the principles of a universal railway tariff, and afterwards by the energy and promptitude he exhibited in the conveyance of troops and supplies to the frontier during the Turco-Russian War. When M. Vishnigradski, who had been President of the South Western Railway, became Minister of Finance, he offered M. Witte, who was subsequently ennobled, a post in his department, which was not accepted at that time, and later appointed him to the office of Director of Railways. In 1892 M. de Witte became Minister of Ways of Communication, and the following year succeeded M. Vishnigradski as Minister of Finance.

During the ten years in which he held this office M. de Witte gradually concentrated almost every interest in the Russian Empire in his own hands. One of his first, and also of his most important, measures was the substitution of a gold currency for the former paper one, a step which was of great benefit to the country, as it put an end to the fluctuations which had previously existed in the value of the rouble, and thus gave greater steadiness to finance. Incidentally it placed in his hands the issues of peace and war, as

it enabled him to find the money necessary for mobilisation at any time by reverting to a paper currency. By the development of the State savings banks he exercised a control over a great mass of savings distributed all over the country. Agriculture was made, to a large extent, dependent upon the Ministry of Finance through the operations of the two State land banks, the Bank of the Nobles and the Peasants' Bank, and also by the grants made by the Treasury to the famine districts. He also made grants for the promotion of technical improvements in agriculture, and devoted special attention to the facilitating of the transport of agricultural produce. The system of State regulation of the sugar trade, moreover, identified the interests of many of the large landed proprietors with that of his policy. The metallurgical and other manufacturing industries depended upon him still more, however, for their rapid but rather artificial development during recent years was the result of his fostering care, and at present they show no capacity for maintaining their prosperity apart from the tariff system designed for their protection, or the vast State orders which the development of the State railway system made possible. The slackening of these orders during the last three years has been followed by a severe depression in the metal trades, and M. de Witte has found it necessary more than once to warn the manufacturers that they must not look to the Government only for their salvation, but endeavour to adapt their production to the internal requirements of the country. In 1898 M. de Witte's influence was extended by the creation of a Department of Commercial Navigation under the Ministry of Finance, and the transference of the administration of the seaports to that department from the Ministry of the Interior.

But the two measures which have done most to increase the power of the Central Government, and especially of the Ministry of Finance, and also to swell the revenue, have been the formation of a State

monopoly in the sale of spirits, and the nationalisation and development of the railway system. The former measure has proved a very lucrative source of income, and has greatly extended the bureaucracy by placing in every *vodka* shop in the Empire a Government official, who has lately been empowered to sell tea and sugar as well as spirits. It was only natural that the furtherance of railway communication, with which he had already been so intimately connected, should have been first and foremost in M. de Witte's schemes as Finance Minister for the development of the Russian Empire. He has not only nationalised the railways by gradually buying up existing lines, but has also extended the railway system in every direction, and thus facilitated in another way the development of industry and agriculture. The Great Siberian Railway has, of course, been the most extensive and important feature of this branch of his activity, and has had important political and economic results. By his special control and direction of the Manchurian branch, M. de Witte obtained the decisive voice in a vital question of foreign policy, whilst the agricultural possibilities of Siberia were for the first time opened up and its produce placed upon the markets of Western Europe. In Persia the ***Banque des Prêts***, now called the ***Banque d'Escompte de Perse***, enabled him to acquire the same control of the Central Asian question that he obtained in the Far East in the first instance through the Russo-Chinese Bank. Both these institutions are really departments of the Ministry of Finance, and in Persia, as in China, M. de Witte has intended railways and banks to be the Russian weapons of conquest. The general result of his policy has been an enormous increase of strength to the bureaucracy of Russia, but it remains to be seen how far his success has been genuine, and whether his successor will be able to uphold the vast fabric he has reared. There are already demands in the Russian press for the formation of separate departments to perform the various func-

tions which M. de Witte combined in the Ministry of Finance.

In general principles M. de Witte has manifested a liberal tendency. At the meeting of the Committee of Ministers he is said to have opposed the introduction of the military service law into Finland; he advised leniency and an appeal to their honour in the case of the St. Petersburg students after the riot of 1899; he appointed the Local Agricultural Committees and promised immunity to the members who spoke frankly on the subject of agricultural needs; he has advocated compensation for accidents and more liberty of action for factory workers. It is this side of his policy that has brought him into conflict with M. de Plehve, Minister of the Interior, whose principles are strongly reactionary. In defiance of M. de Witte's promise the Minister of the Interior banished three leading members of the Local Agricultural Committees to Archangel, and is now interpreting the law requiring factory inspectors to work in harmony with the police authorities as if it gave the police the right of direct factory administration. During 1902 rumours were current that M. de Witte was about to resign, and in November a rescript was published which seemed to indicate an approaching change. By this rescript the control of the mercantile marine was taken from the Finance Minister and placed, as a separate department, under the Grand Duke Alexander Mikhailovitch, who was created first Director of the Departmental Bureau of Shipping, Shipbuilding, and Harbours. A still greater change in M. de Witte's position was effected on August 16th (29th), 1903, when he was "relieved of the functions of Minister of Finance" and appointed President of the Committee of Ministers. It is as yet uncertain whether this new appointment is to be regarded as an honourable retirement or as a promotion to still higher authority and fuller powers. The Committee of Ministers has a wide sphere of activity; it decides all administrative questions which transcend the

power of separate Ministers; its province is described in the law as "current affairs" which are incapable of further definition. Under Alexander I. it possessed considerable powers, and it seems not unlikely that with M. de Witte as President its functions may be largely extended. M. de Witte's successor, M. de Pleske, late Manager of the Imperial Bank, is one of his own most trusted subordinates who has collaborated with him in all his financial reforms, and may therefore be expected to continue his policy. M. de Witte retains the chairmanship of the Agricultural Commission and has been entrusted with the conclusion of negotiations for a Russo-German commercial treaty.

M. de Plehve, who is usually regarded as M. de Witte's enemy and rival, was appointed Chief of the Police after the assassination of Alexander II.; he afterwards became Secretary of State for Finland, and in this capacity was responsible for the abrogation of the Finnish constitution, and on the murder of M. Sipiagin succeeded him as Minister of the Interior. His policy in this office has been marked by a degree of arbitrary severity unusual even in Russia. In 1902 he obtained an order from the Tsar forbidding the collection of statistics by the *zemstva* through a large part of Southern Russia on the ground that the collectors exercised a harmful political influence. He is said to have given passive aid to the strike movement at Odessa in 1902 in order to lure the strikers to commit some outrage which might excuse a subsequent resort to armed force. In the matter of the Kishineff massacres in the spring of 1903 he is believed to have been an active cause. After the minds of the population had been excited against the Jews by the circulation of inflammatory pamphlets, M. de Plehve sent a confidential despatch to the Governor of Bessarabia instructing him, in the event of disturbances, to refrain from the use of arms. As a consequence the anti-Semitic riot continued for two whole days and resulted in the death of forty-five

Jews, while five hundred were injured, and about ten thousand persons rendered homeless. A deputation of the Jews of Kishineff to M. de Plehve was received with coldness and informed that the Minister meant to render life in Russia impossible for them, and this, he added, was not a threat, but merely a declaration of intention. M. de Plehve has since informed the leaders of the Zionist movement that they will not be allowed to leave Russia.[1]

It seems curious to mention in the same breath with personalities so well known in Europe as M. de Witte and M. de Plehve a name practically unknown outside the highest official circles in Russia. But at all times at the courts of autocrats the favour of the ruling sovereign has been a most important if most uncertain factor. The Court of St. Petersburg during the present reign has been no exception to the rule, and M. Demchinsky and others have had their hour. More recently there has appeared in M. Bezobrazoff a new favourite, whose power may prove more than ephemeral, as he has been raised to a rank—that of Secretary of State—not always granted even to Ministers, and bestowed in 1801 on Speransky, the first great Russian statesman who drafted a plan of political liberty for his country. At one time M. Bezobrazoff served in the regiment of the Cavalier Guard, which his brother, Major-General Bezobrazoff, now commands, and distinguished himself by being the leading spirit in the Holy League formed on the accession of Alexander III. to guard the person of the Tsar, and dissolved at the instance of M. de Plehve, the Chief of Police. He has therefore long been more or less in the inner circle at Court, and has recently taken to making reports to the Tsar on a variety of important subjects. M. Bezobrazoff held till lately the unimportant title of "state councillor" (*diestveetelny*

[1] *Times*, August 8th, 1902; March 19th, May 2nd, 17th, July 4th, September 17th, 1903. See also the chapters on Finance, Industry, Agriculture, and Commerce.

statsky sovietneek), which does not give the holder any acknowledged position, and was regarded by high officials practically as a private individual. The *Osvobojdenie*, generally well-informed, states that he is connected with the company founded to exploit the Russian concession in Korea, which, while supported by some of the Grand Dukes, is said to have been subsidised from the privy purse of the Tsar himself.

To the effect of a report made by M. Bezobrazoff has been attributed the institution of the new post of Viceroy of the Far East, to which Admiral Alexeieff has been appointed, and his influence is said not only to have contributed to the change in M. de Witte's position, but even to threaten that of the Minister of Foreign Affairs, Count Lamsdorff, and of the Minister of War, General Kourapatkine. Whether this be so or not, the significant fact in connection with Russian ambitions is that the new Minister without portfolio, of whose influence with the Tsar there can be no doubt, has made a special study of the Far East and is deeply interested in the Korean question, so vital to our allies, the Japanese. Nor must it be forgotten that, like Speransky, M. Bezobrazoff is not of the bureaucracy and probably does not share its prejudices.[1]

5. General Kourapatkine

The last of the great men I have chosen to represent the ideals by which Russia is animated and the work she is doing is General Kourapatkine, the man on whom the mantle of the famous General Skobeleff has fallen, and who has been since 1898 Minister of War. He is the most brilliant soldier and one of the most capable administrators in the service of the Tsar. Practically in the prime of life, endowed with indomitable will and untiring industry, the strictest of disciplinarians,

[1] *Osvobojdenie*, October 1st, November 15th, 1903.

he is gentle and modest in manner. He has had more than thirty-five years of military service, and has won the affection and respect of all who have served under him. He has studied the practice of war under a great chief, and has an intimate knowledge of the peoples of the East, and the balance of power in Asia. His first distinctions were gained in 1868, when at the age of twenty he assisted at the storming of Samarkand, and won the orders of St. Stanislaus and St. Anne for distinguished gallantry. The years 1871-4 were spent in a course of special studies at the Staff College, which was followed by promotion to the rank of Captain. In 1875 he was sent on a special mission to France and Germany, in the course of which he took part in an expedition from Algiers into the Sahara and became Knight of the Legion of Honour. On his return to Central Asia he was employed in the reduction of the Khanate of Kokand, and gained the crosses of St. George and St. Vladimir. On the outbreak of the Russo-Turkish War in 1877 Kourapatkine became Lieutenant-Colonel and Chief of the Staff to General Skobeleff, and greatly distinguished himself at Plevna. "Indeed there is little doubt that some of Skobeleff's laurels were won by him. Skobeleff was the dashing, impetuous, reckless leader, Kourapatkine the cool, patient, calculating corrective who restrained him." In 1879 Colonel Kourapatkine became Professor of Military Statistics at the Staff College, but, pining for more active service, was sent in 1880 as commandant of the Turkestan Rifles on the expedition which resulted in the reduction of Kuldja. Later in the same year he commanded the reinforcements sent to General Skobeleff, who was conducting the campaign against the Tekke Turcomans. "Starting from Samarkand in November 1880 with a detachment five hundred strong, he hurried through Bokhara to Charjuy, barely three days' ride from the Tekke lair at Merv, then, fetching a long detour by way of Khiva, to avoid the Tekke bands with which the desert

swarmed, he joined headquarters on December 25th. Well might Skobeleff say, 'Kourapatkine is the only man capable of performing so dangerous a mission.'" It was under his leadership that the southern column forced the entrenchment of Yangi Kala on January 21st, 1881, and he headed one of the columns in the famous assault and capture of Geok Teppe on January 24th. After a period of service on the staff at St. Petersburg, during which he was entrusted with schemes of mobilisation and defence of the western frontier of Russia, he became Governor and Commander-in-Chief of Transcaspia when it was made a government in 1890. In this post he showed great capacity as a civil administrator, and obtained a reputation for firmness and sympathy as well as for a thorough knowledge of the native character, and here he remained till he became Minister of War.

General Kourapatkine has thus been trained in many schools. He is a master of the science of war on its theoretical side besides having had abundant experience in the field, he has conducted diplomatic missions, and has made the military politics of Asia his speciality. His opinions are therefore of the utmost value, and the expression he gave of them in an address at Askabad on November 25th, 1897, in a speech to a party of English tourists was remarkably frank. He laid special stress on the fact that, since the introduction of railways and telegraphs, Central Asia had been completely within the control of the Central Government, so that whatever happens there now is a proceeding authorised by the Tsar: the days when a general could take a city and then report the fact to his Imperial master are over.[1] The policy of the Governor-General at Tashkent now is directed from St. Petersburg, and that policy, according to General Kourapatkine, is peaceable. "The principles which

[1] Generals Chernaieff, Skobeleff, and Kauffman, were repeatedly compelled by circumstances to undertake expeditions without sanction, and their action was sometimes in opposition to the views of the Central Government.

govern the policy of Russia," he said, "are very simple. They are the maintenance of peace, of order, and of prosperity in all classes of the population." On this account the hasty annexation of new territories is discouraged because of the responsibilities it involves, for the inhabitants of conquered lands become "Russian subjects, children of the Tsar, and are invested with every privilege enjoyed by citizens of the empire." This utterance is the more noteworthy because it is coupled with an explicit declaration that the policy of the local governor in Central Asia is the policy of St. Petersburg. Without this it might have passed for a mere expression of the principles which have governed the line of action of Kourapatkine himself and of his master, General Skobeleff. On this point Skobeleff spoke even more emphatically, and contrasted the action of Russia in this respect with that of England in India. In a proclamation to his troops after the victory at Geok Teppe he said: "A new era has opened for the Tekkes—an era of equality and of a guaranteed possession of property for all without distinction. Our Central Asian policy recognises no pariahs. Herein lies our superiority over the English." In support of his statement that Russia's policy made for peace, General Kourapatkine adduced firstly the orderly condition of Central Asia, the growing attachment shown by the inhabitants to their new rulers, and the steady increase of wealth. "The trading classes are now the staunchest supporters of our authority, next the cultivators, lastly the women. Should any mischief arise it will be due to the intrigues of the *mullahs*, whose powers for evil are great, owing to the ignorance rather than the fanaticism of the population." Secondly he appealed to the fact that, though since 1885 the Russian frontier has marched with those of Persia and Afghanistan, countries where internal disorder is always smouldering, no outbreak had taken place, "so scrupulous is our regard for the *status quo*, that whole tribes have cast themselves on our

protection in vain." This speech was of course intended to allay the fears which Englishmen entertain as to the objective which Russia has had in view in her great march across Central Asia. It is known that General Skobeleff worked out a plan of campaign for the invasion of India, and though since his time Russian policy may have altered to some extent and India may not be coveted for its own sake, "a revised edition of his scheme, modified or extended in accordance with wider knowledge and more modern conditions, has been elaborated by General Kourapatkine, who may be regarded as the leading exponent of Central Asian tactics in the Russian army."

In September 1902 General Kourapatkine accompanied the Grand Duke Nicholas to Bulgaria on the occasion of the Shipka fêtes, where he was very warmly received. In July 1903 he visited Manchuria, where the chief Russian officials of the district met him. A conference was held at Port Arthur at which M. Lessar, the Russian Minister at Pekin, the Governor of Vladivostok, the Minister at Seoul, and the principal military and railway officials of Manchuria were present. The proceedings were conducted with profound secrecy, but some idea as to their drift may be gathered from the measures taken subsequently. Both the commercial and military position of Manchuria appear to have been discussed. Manchuria, which was expected to afford so good an opening for Russian manufactures, has not fulfilled the hopes entertained of it. Other nations which export their goods by sea are able to place them on the Manchurian market more cheaply than Russia, and the Manchurian railway on which Russia has spent so much seems likely to be useless from a commercial point of view. *The Times* correspondent at Pekin, writing on September 9th, 1903, said: "Pessimism regarding the results of the Manchurian venture has, particularly since the return of General Kourapatkine, taken a strong hold of Government circles." It is even rumoured that the removal

of M. de Witte from the Ministry of Finance is not unconnected with the commercial failure of the railway. The military position of Russia in Manchuria seems to have given more satisfaction. General Kourapatkine laid the foundation of a Russian cathedral at Port Arthur during his visit, and in his speech on this occasion expressed his conviction that Port Arthur was becoming a fortress inaccessible to all enemies, no matter how large their numbers or whence they came. He also urged the desirability of removing the seat of the Governor-General of Southern Manchuria from Harbaroffsk to Vladivostok, and of making it, on account of its relatively southern position, the headquarters of the Commander-in-Chief. The purely commercial character of the free port of Dalny has been proclaimed again and again, and hitherto it has been free from military control—there were no troops there when I visited it in 1902: now, however, as the result of the visit of General Kourapatkine, it has been decided to station twelve to fifteen thousand troops there, and to build two powerful forts. It has also been decided to fortify the coast and the railway to a point two stations above Dalny. These preparations form a strong indication of the policy which Russia means to pursue with regard to Korea, and the difficulties which it may create with Japan. It would be unkind to remind General Kourapatkine that his speech at Askabad in 1897 contained these words: "Throughout our frontier conterminous with China we have had no disturbance for more than a century. I am led to mention these significant facts in order to show that our policy in Asia is essentially a peaceful one, and that we are perfectly satisfied with our present boundaries."[1]

[1] Skrine and Ross, "The Heart of Asia," pp. 323-5 and 424-8. G. Curzon, "Russia in Central Asia," p. 330. *Times*, July 15th, 25th, September 10th, 1903.

CHAPTER II

AGRICULTURE

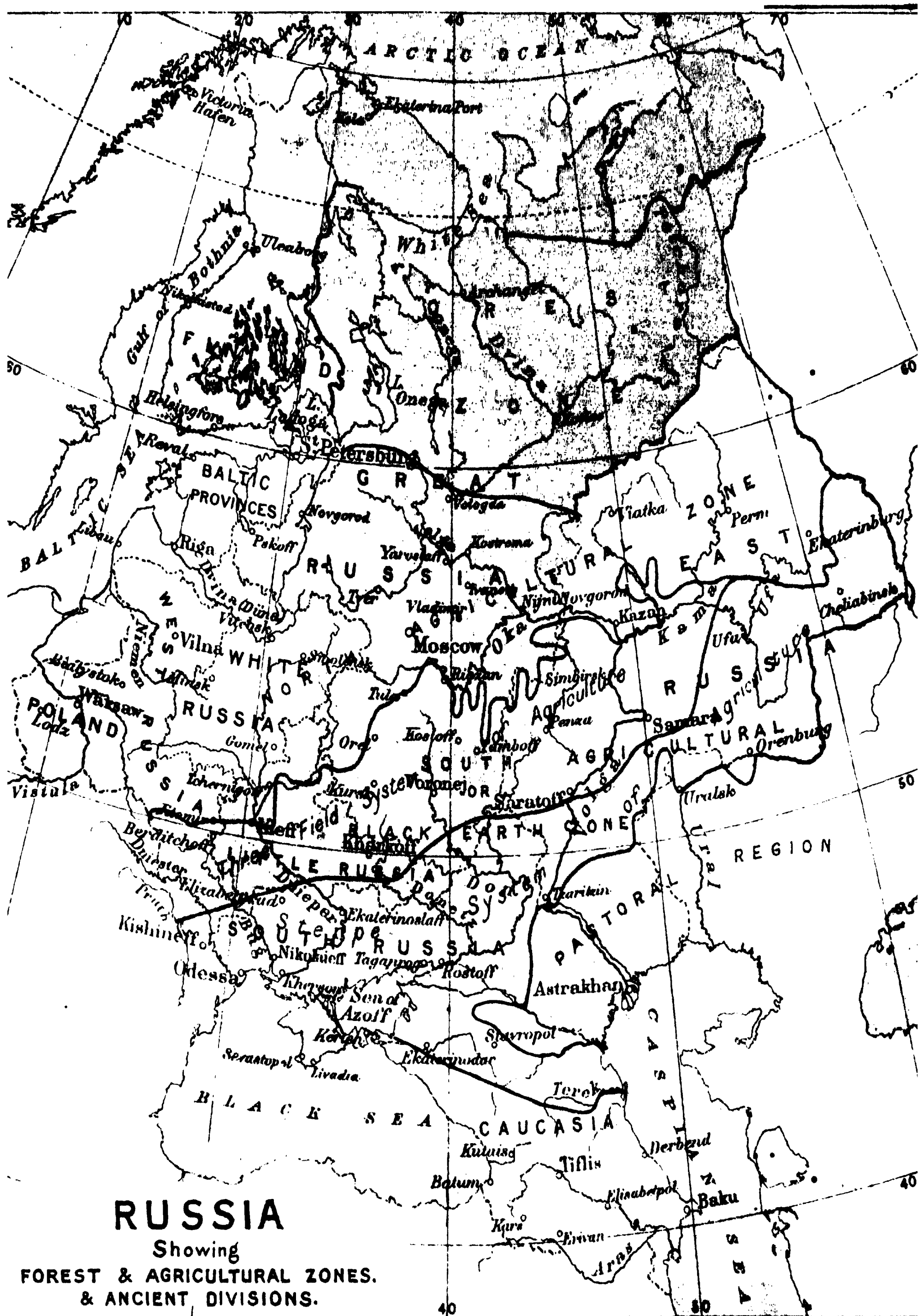
A Agrarian Development: 1. Importance of Agriculture; Vital Statistics.—2. Geographical and Racial Characteristics.—3. Forms of Land Tenure: (*a*) Distribution of Land; (*b*) Communal Ownership; *c*) Period of Serfdom; (*d*) Emancipation Act, 1861; (*e*) Land Redemption Payments; (*f*) Present Forms of Tenure.—4. Methods of Cultivation and Chief Crops: (*a*) Methods of Cultivation; (*b*) Rotation of Crops; Agricultural Implements; (*c*) Cereals; (*d*) Flax, Hemp, and other Oil Plants; (*e*) Beetroot; (*f*) Forestry.—5. Cattle Rearing.—6. Characteristics and Defects of Peasant Cultivation: (*a*) Peasant Characteristics; (*b*) Effects of Taxation; (*c*) Arrears of Taxes; (*d*) Communal Ownership and Defective Cultivation.—7. Modern Development and Tendencies: (*a*) Rise of Social Distinctions among Agriculturists; (*b*) Decay of Communal Ownership; (*c*) The Cossacks of Little Russia; (*d*) German Colonists; (*e*) Jews.—8. Agrarian Legislation: (*a*) Legislation before 1889; (*b*) Legislation since 1889; (*c*) Report of the Finance Minister for 1900.

B Famines: 1. Extent of Famines: (*a*) Famines, 1891-1901; (*b*) Consequence of Famines.—2. Cause of Famines: (*a*) Meteorological; (*b*) Economic.—3. Methods of Famine Relief: (*a*) Official; (*b*) the Red Cross Society.

A. AGRARIAN DEVELOPMENT

1. Importance of Agriculture; Vital Statistics

Until a comparatively recent period Russia was almost exclusively an agricultural country, the very restricted needs of the peasantry in clothing, etc., being supplied by domestic industries carried on by the peasants themselves in the intervals of their agricultural employment, whilst the manufactured articles required by the richer classes were almost all imported from abroad. During recent years industrial production has made


ARCTIC OCEAN
Victoria Hafen
Ekaterina Port
Uleaborg
Gulf of Bothnia
FINLANDS
Helsingfors
L. Ladoga
L. Onega
White Sea
Archangel
FOREST ZONE
Reval
St Petersburg
BALTIC PROVINCES
BALTIC SEA
Libau
Riga
Novgorod
Pskoff
Vologda
Kostroma
Yaroslaff
Tver
GREAT RUSSIA
Viatka
Perm
Ekaterinburg
AGRICULTURAL ZONE
EAST RUSSIA
Kazan
Kama
Ufa
Cheliabinsk
Nijni Novgorod
Vladimir
Moscow
Oka
Dvina (Düna)
Vitebsk
Vilna
WHITE RUSSIA
WEST RUSSIA
Niemen
Minsk
Smolensk
Riazan
Tula
Simbirsk
Penza
Samara
Orenburg
Warsaw
POLAND
Lodz
Vistula
Gomel
Orel
Kosloff
Tamboff
Voronej
SOUTH AGRICULTURAL
Saratoff
BLACK EARTH ZONE
Uralsk
Ural
REGION
Tchernigoff
Kieff
Kharkoff
Berditcheff
Dniester
LITTLE RUSSIA
Don
Tsaritsin
PASTORAL
Kishineff
Elizabetgrad
Dnieper
Ekaterinoslaff
SOUTH RUSSIA
Steppe
Nikolaieff
Taganrog
Rostoff
Odessa
Kherson
Sea of Azoff
Astrakhan
Kertch
Sevastopol
Livadia
Ekaterinodar
Stavropol
Terek
BLACK SEA
CAUCASIA
CASPIAN SEA
Kutais
Tiflis
Derbend
Batum
Elisabetpol
Baku
Kars
Erivan
Aras
RUSSIA
Showing
FOREST & AGRICULTURAL ZONES.
& ANCIENT DIVISIONS.

rapid strides, and large towns have sprung up, esp in the cotton manufacturing district about Moscow, but agriculture still holds the foremost place both in the social life of the people and in the economic and financial conditions of the country. But whereas formerly the aim of the cultivation of the land was to supply the needs of the inhabitants themselves, who were both the producers and the consumers, the present object is to a large extent the sale of agricultural produce in order to improve the balance of trade, and to enable the producers to purchase industrial products. In this change Professor von Schulze-Gävernitz finds the "chief cause of the Russian economic development in the second half of the nineteenth century. It is, moreover, the foundation of all the progress in industry and finance, which, while more conspicuous, is really but of secondary importance."

The same change, however, appears to other observers, such as Nicolai-on, to be productive of great evils to the agricultural population, which in their view is being deprived of its natural means of subsistence by the increased exportation of grain, without receiving any adequate return, since the prices in the world's market are regulated by those of American grain produced under the most improved labour-saving conditions, whilst the Russian peasant still uses the most primitive methods and instruments of cultivation. Nicolai-on maintains, therefore, that the increased exportation of grain from Russia is due, not to increased production, but to a diminution of consumption by the peasantry. The cultivation of the land by the peasant proprietors, and the consequent exhaustion of the soil, form one of the most serious problems in the economic condition of Russia at the present time. This point will be considered more fully below. The great importance of any question which affects the welfare of the agricultural population will be realised when the overwhelming preponderance of this class is taken into account. According to statistics published in 1893,

"the total number of adults of both sexes in the working class is 35,700,000. Of this number 29,000,000 or 81·2 per cent. are engaged in agriculture; 2,000,000 or 5·6 per cent. in forestry and in the carriage of timber by the river routes; 1,000,000 or 2·8 per cent. in hunting, fishing, or in trades, working in towns, on railways, or on vessels; and about 1,000,000, chiefly the nomadic class, in rearing sheep, horses, reindeer, and other stock. Thus 92·4 per cent. of the total number of working adults are employed in rural pursuits of various kinds."[1]

The total population of the villages therefore far exceeds that of the towns. According to the census of 1897 the town population included only 16,280,978 persons of both sexes, while the rural population reached 110,087,849. These numbers, according to "The Statesman's Year-book," were distributed as follows:—

Population.	Towns.	Country.
European Russia	11,830,546	82,384,869
Poland	2,059,340	7,396,603
Caucasus	996,248	8,252,447
Siberia	462,182	5,264,908
Central Asia	932,662	6,789,022
Total	16,280,978	110,087,849

Towns with a population of over a hundred thousand are rare in Russia; there are only nineteen in the whole empire. But large villages—that is, communities of over a thousand inhabitants—are very common, while some villages possess a population of twenty or twenty-five thousand. The terms "town" and "village" are therefore of purely technical import, and cannot be used to denote the number of inhabitants. In the above table

[1] Nicolai-on, "Die Volkswirtschaft in Russland," pp. 32-95. "Report on Labour Question in Russia: Royal Commission on Labour," p. 8. Schulze-Gävernitz, "Volkswirtschaftliche Studien aus Russland," p. 309.

villages are included in the figures giving the number of town dwellers.

The birth rate is decreasing in Russia as in other countries, but it is still as high as 48 per thousand as compared with 28 per thousand in England and Wales. The average birth-rate in towns is 34 and in villages about 49 per thousand. The high proportion of births is counteracted to a great extent by the very high death rate; in rural districts the death rate for the years 1890-94 reached 33 per thousand, a figure which in nearly every other country would have resulted in a decrease of population. In the towns for the same period it was as low as 18 per thousand, the difference being due chiefly to the fact that in many country districts it is impossible to obtain medical assistance. The excess of births over deaths in the six years 1890-95 was 1,124,653 or 1·25 per cent., and in the year 1897 1,753,465 or 1·81 per cent. The average annual increase is about two millions or 1·55 per cent.; the highest figure (20 per 1,000) is reached in New Russia (the steppes bordering on the Black Sea) and the lowest (8 per 1,000) in the Baltic Provinces. The poor quality and often very insufficient quantity of the peasants' food prepares the way for disease, which is further promoted by want of cleanliness and lack of sanitation and medical help. At the best of times the peasants are poorly fed, and are liable to scrofula, anæmia, ophthalmia, syphilis, and phthisis. When scarcity prevails they die in thousands of "hunger typhus," a special form of disease which follows in the wake of famines. During the last epidemic 90 per cent. of the cases ended fatally.

Next to schools, there is great want in rural Russia of doctors, hospitals, and midwives. Infant mortality is as high as 40 or 50 per cent., due mainly to the ignorance of the peasants and to the fact that the mothers return to their work in the fields within a few days of the birth of their infants. Two hundred years ago there was not a single scientifically educated

doctor in Russia, and at the present day doctors are practically inaccessible to the great majority of the population. According to a calculation of the St. Petersburg *Viedomosti* for February 1899, the average number of inhabitants in the rural districts to one doctor was 35,000. Statistics of recruits show clearly enough the evil results of the neglect of the physical condition of the people. Numbers of recruits are rejected every year as unfit for service, and constant complaints are made as to the diminished chest measurement and height of those who are accepted. Not only is the splendid physique for which the peasants of Great Russia were once renowned fast becoming a thing of the past, but even the Don Cossacks are showing signs of the poverty that oppresses them. If their conditions cannot be ameliorated, it is doubtful whether the "institution of the Don Cossacks" can be maintained.[1]

2. Geographical and Racial Characteristics

In order to understand the conditions of agriculture in Russia it is necessary to understand both the variations in soil and climate included in the vast extent of the country and the different nationalities which inhabit it. Although the area covered by the Russian Empire in Europe alone is no less than 2,100,000 square miles, the surface of the country is broken up by no mountain ranges, and the variations that exist are due to geographical position and the nature of the soil, and not to the configuration of the surface. The whole country, however, falls into two strongly marked and sharply contrasted districts, lying one on either side of a line drawn from south-west to

[1] E. v. der Brüggen, "Das heutige Russland," pp. 126-8. "Russie à la Fin du 19me Siècle," pp. 73-5. "Bulletin de l'Institute International de Statistique," vol. xii., p. 88. "Statesman's Year-book," 1903, p. 1004. *Times*, April 9th, 1901; June 10th, 1902.

north-east, so as to pass through the towns of Kieff, Tula, and Kazan.

Beyond this line lies the forest zone, which stretches northwards until it passes into the desolate region of the polar tundras, where the extreme cold allows of no industries except hunting and fishing. In its northern districts the forest zone is almost entirely covered with forests, rivers, lakes, and marshes, and agriculture plays a very small part in the industry of the inhabitants, who are occupied in forestry and various forms of working in wood. Where the ground is cleared, oats, rye, and flax, are cultivated until the soil is exhausted, when it is left to return to its wild state. In the southern districts the cultivation of flax plays a more important part, sometimes alternating with clover, whilst forestry and working in wood are also carried on. Dairy farming also forms an important industry in some districts, especially near the large towns. In spite of the fertility of certain districts in the forest zone, the inhabitants are as a rule unable to live on the produce of the soil, and are partly dependent upon grain supplies from the south of Russia.

The country below the dividing line is called the Tchernoziom, or Black Mould zone, from its peculiarly black and extraordinarily fertile soil, and this is the main seat of Russian agriculture. Its northern districts enjoy a temperate climate with abundant moisture and are thickly populated. Agriculture is conducted on the three-field system (*Dreifelderbau*), and rye constitutes the main crop. Oats, wheat, barley, buckwheat, and millet are also cultivated, but there is little fodder grown, and in consequence little cattle-raising. The southern districts of the Black Mould zone have a hotter and drier climate and are more thinly populated. Wheat is here the principal crop, while clover, sanfoin, and other kinds of fodder are cultivated. These districts furnish the chief part of the grain for exportation, and the system of agriculture generally employed is the

so-called steppe system (*Steppewirtschaft*). In the south-east is also the chief stock-raising district, from which cattle, horses, wool, tallow, hides, etc., are exported, whilst in the south-west beetroot is cultivated. Further south-east again are the southern steppes, which are still chiefly inhabited by nomadic tribes, and are partly sandy deserts not admitting of cultivation.[1]

"It has been estimated that the inhabitants of Russia belong to more than 110 nationalities. The majority of these may, however, be classed in one or other of the three large groups of Finns, Tartars, and Slavs. According to M. Leroy-Beaulieu, the Finns or Tchouds appear to represent the most ancient inhabitants of Russia. The ethnology of the Finns is disputed, but it is generally agreed that they have no connection with the Aryan family, from which the Celts, Latins, Germans, Slavs, and most other races in Europe are descended. They are usually classed with the Ural-Altaic branch of the Touranian or Mongolian race, so called because the various nationalities included under this head are believed to have originally inhabited the region between the Ural and the Altai mountains. At the present day they number about five or six million persons, and are centred chiefly in Finland and in the Volga district. The Tartars, who are more decidedly Asiatic, are of kindred origin with the Turks, the only difference being that they invaded Europe by another route, and did not embrace Islamism until after their invasion. They were almost the sole inhabitants of the Crimea during the last century, and in recent years their numbers have been greatly reduced by emigration.

"The Slavs form the most important element in the Russian population, and it is estimated that about three-fourths of the entire number of inhabitants belong to this race. In spite of the enormous number of

[1] Schulze-Gävernitz, "Volkswirtschaftliche Studien aus Russland," pp. 308-14. "Report on the Labour Question in Russia: Royal Commission on Labour," p. 7.

different nationalities represented in Russia, it appears that the majority are found only in the outlying districts, whereas in the central regions 'the nation is made in the image of nature; it shows the same unity, almost the same monotony, as the plains which it inhabits.' Two principal types are to be distinguished in the population as in the soil. There are the Great Russians in the northern and central, and the Little Russians in the southern governments, speaking different dialects and representing 'the eternal contrast in Russia of north and south.' The Great Russians form the strongest and the least Slavonic element of the population, and show many traces of the admixture of Finnish and Tartar blood with the original Slavonic stock. The Little Russians, including the Don Cossacks, are of purer Slavonic descent, and, in spite of their having been in subjection to Poland and Lithuania for five centuries, 'the mass of the population of Kieff and Oukrain remain as Russian as the population of Novgorod or Moscow.' In addition to those two large groups there are the White Russians in the governments of Mogileff, Vitebsk, and Smolensk, who are frequently classed together with the Little Russians as 'West Russians,' and the Poles. The White Russians are the most Slavonic of the three Russian groups of the population, but at the same time they are the least numerous, and, owing to the barrenness of their territory and its distance from the sea, are the poorest and most backward in civilisation."[1]

3. Forms of Land Tenure

According to official statistics the land in Russia, exclusive of Finland, Poland, the Caucasus region, and the government of the Don Cossacks, was in 1890 distributed as follows:—

[1] "Report on the Labour Question in Russia: Royal Commission on Labour," p. 7.

	Dessiatins.[1]	Acres.
State lands	150,409,977	376,024,924
Crown lands	7,367,740	17,419,350
Peasant lands.	131,372,457	328,431,142
Private lands	93,381,170	233,452,925
Church, monastery, or town lands . .	8,572,622	21,431,555

The State therefore owns the biggest share of the land, but its possessions are chiefly in the north, and consist of either forest or waste land, so that their agricultural importance is not great. By private lands are meant those which are in the unrestricted ownership of individuals, as opposed to the various more or less communistic forms of tenure by which the peasant lands are held. The bulk of the private lands is in the hands of the nobles, and consists of the land reserved for their use at the time of the emancipation of the peasantry. A large number of peasants also own small private properties in land, which they have acquired by purchase since that event. With the exception of rather less than 1,800,000 dessiatins which belong to companies of shareholders, the private lands are distributed as follows:—

	Dessiatins.	Acres.	Percentage of whole.	Number of owners.	Average extent of holding.	
					Dessiatins.	Acres.
Nobles . .	73,163,744	182,921,860	79·8	114,716	637·8	1594
Merchants .	9,793,961	22,484,903	10·7	12,630	775·4	1859
Peasants .	5,005,824	12,514,560	5·5	273,007	18·0	45
Citizens .	1,909,603	4,774,008	2·1	58,004	32·9	82
Others . .	1,732,713	4,331,783	1·9	22,934	75·5	188

In the western and north-western governments, the private lands cover more than half the surface, whilst over the greater part of the Black Mould zone

[1] The dessiatin is equal to about 2½ acres. 1 dessiatin = 2,400 sq. sagenes (1 sq. sagene = 49 sq. ft.).

the chief part of the soil belongs to peasant proprietors. In the northern governments the State owns more than half the land.[1]

As there is no system of entail in Russia, the private lands, as already pointed out, are the absolute property of their owners. The peasants' holdings are regulated by a form of communal ownership, the nature of which varies in different districts. It is thus described by M. W. G. Simkovitch: "The law now in force understands by communal ownership of land 'that form of ownership in which the land is divided and redivided by a resolution of the community amongst the peasants, according to the number of individuals, or in any other way, provided it secure the taxes imposed upon the land for which the community is collectively responsible.' Joint ownership of land, or the peasant communal ownership, is therefore a legal institution according to which the land and soil are the property of the '*mir*,' or assembly of the members of the community, and can only be worked by separate families as the result of allotment by the '*mir*.'" "The characteristic mark of the Russian joint ownership," according to M. de Struve, "is the periodical general or partial redivision of the land. Where the idea of redivision has become weakened or has almost disappeared, joint ownership in land strictly speaking has ceased to exist."

During the last fifty years the origin of this system has been hotly disputed by Russian economists and literary men. The Slavophile party regard it as a development of the primitive family community or *zadruga*, characteristic of the Slavs, and a consequence of the sense of justice inherent in the Russian peasant, and believe that its maintenance will preserve Russia from the evils attendant upon the existence of the proletariat in Western Europe. The progressive party see in it an artificial restriction upon individual ownership, which has grown up as the result of comparatively

[1] "Royal Commission on Labour: Report on Russia," p. 16. Schulze-Gävernitz, "Volkswirtschaftliche Studien aus Russland," pp. 314-15.

recent fiscal policy and hinders all agricultural development. M. de Struve points out, however, that both these factors must be taken into account, although in different localities, and amongst different classes of peasants, one or other has predominated.[1]

The starting point of the present system is the Emancipation Act of 1861. Before that time the great majority of the peasants were serfs, belonging to the State, the Crown, or the nobility. The conditions of this serfdom, or "bondage to the soil," varied greatly in different localities, but its usual characteristics were that the peasants lived by cultivating a certain portion of land allotted to them, whilst required to do a certain amount of labour on their proprietor's land.[2] They were unable to leave their allotments, but passed with the land from one proprietor to another, the value of a property being reckoned by the amount of labour, or number of "souls" upon it. The proprietor, on the other hand, might redivide the allotments, move families from one locality to another, and even in some cases sell the peasants off the land, or employ them himself in other forms of labour than agriculture. This form of serfdom was most common in the Black Mould zone, but in less fertile regions, where agricultural labour was not so valuable, the peasants, instead of giving personal services to the proprietor, paid a pecuniary tax (*obrok*), and were allowed to leave the estate in order to find work elsewhere in the towns, or other country districts. They were still at his disposal, however, and might be recalled at any time. The serfs on the Crown and

[1] Simkovitch, "Die Feldgemeinschaft in Russland," p. 5. P. von Struve, "Archiv für Soziale Gesetz: und Statistik. Sonderabdruck," Band V., Heft 3, p. 5.

[2] There was, however, another class of serfs, the domestic servants, who received no wages, and who might be hired out or sold by their owners without any infraction of the law. Their numbers (at the time of the emancipation they formed 6·79 of the whole number of serfs) enabled them to live a lazy life, but they had no independence at all, and no share in the communal land. The emancipation gave them their personal freedom, but did not endow them with land; thus from the outset a class of landless peasants was formed, which has gone on increasing ever since

State lands were as a rule better off than those of the nobility, and enjoyed more personal freedom. Communal institutions were in force amongst them in many places, and the land was allotted by the *mir* or village assembly. In these cases periodical redivisions of the land were often carried out, so that the taxes which had to be paid to the State could be met collectively.

M. de Struve distinguishes between five chief modes of land tenure in force before the Emancipation Act of 1861. (1) Amongst some of the peasants on the Crown and State lands a regulated form of communal ownership had already been adopted, in consequence of the collective responsibility of the communities for the payment of the taxes. Equal division of the land and periodical redistribution were encouraged, and in some cases decreed by the State. (2) Before the Emancipation Act the proprietary peasants of the nobles had in many cases no rights or power of communal ownership. In other districts, however, a periodical redivision of land to correspond to changes in population was practised upon these estates, especially in the Black Mould zone. (3) In the south and eastern steppes, where the population was scanty and there was no difficulty in obtaining land, the tenure was the primitive right of occupation, according to which each settler was at first allowed to claim as much land as he liked, but later, as the population increased, was only allowed to keep as much land as he could cultivate. This form of tenure is still to be found in Siberia, and amongst the Tartars on the steppes, but everywhere tends to pass into communal ownership, under the pressure of increasing population and the collective responsibility for the taxes and the influence of Russian settlers.[1] (4) In Northern, and

[1] "The reason," Kaufmann says, "lies in the conviction that dwells in every Russian peasant that the free land belongs only to God and the Tsar, and is intended to form a fund, out of which every one has an equal right to draw the means of existence. With this as a basis, the process of development is urged on by the constant diminution in the amount of relatively superfluous land, and these two decisive influences may be strengthened by other

partly in Central Russia, a system of practical private ownership was in force before communal ownership was imposed by the fiscal system. The land was indeed in theory the property of the village or community as a whole, each farm or homestead having a right to a certain share. These shares remained in the families of the occupiers, and passed by inheritance, or might be sold to other members of the community, not being subject to redivision. If, however, any member of the community complained that his actual share was less than that to which he was in theory entitled a sufficient part might be taken from such of his neighbours as had obtained too much, and transferred to him. The peculiarity of this system of land tenure, known as the share-system, was that the shares, which were practically private property, were not actual pieces of land, but simply claims to a certain amount, with which the allotments themselves were more or less in accord. As these shares might be subdivided amongst the members of a family, or partially sold, the idea of any equal division amongst the homesteads in the community entirely disappeared. With the imposition of the capitation tax in the eighteenth century, however, it became necessary that each peasant should occupy enough land to enable him to pay the tax, and from this time onwards it was the policy of the State to introduce an equal division. This object was supported by those, who, having little or no land, began to claim their right to equal shares, and in spite of the opposition of the richer peasants, redistributions of land took place in many of these villages during the thirty or forty years preceding the Emancipation Act. (5) In Central Russia, especially in the governments surrounding the government of Moscow, another form of tenure was in force, the so-called "Quarter-system."[1] These

accidental influences, such as the operation of the fiscal system, or the direct orders of the local authorities." Alex. Kaufmann, "Beiträge zur Kenntniss der Feldgemeinschaft in Siberien," p. 16.

[1] The name "Tschetvertnie" peasants (quarter-peasants) is from the "quarter," an old Russian unit of measurement.

occupiers were the descendants of followers of the Muscovite Tsars, who, to secure their dominions, made grants of lands around their borders. At first they possessed all the rights of private ownership and formed a class of inferior nobility, but when their military services were no longer necessary, their position degenerated until they were almost on an equality with other Crown peasants. Their tenure was very similar to the share-system already described, the property consisting rather in a claim to the land than in the land itself, and the right being similarly vested in the family.

M. Simkovitch sees in the "share-system" and the "quarter-system" the true Russian form of land tenure, both having their origin in the breaking up of the primitive family community. But whilst in Northern and Central Russia these systems passed, under the pressure of the fiscal and agrarian policy of the State, into communal ownership, in Little Russia they developed into more or less complete private ownership.[1]

The leading principle of the Emancipation Act of 1861 was not only to free the peasants from their personal dependence upon the nobles, or the Crown, but to form them into a nation of landed proprietors. A certain proportion of land was left to the nobles as their private property, and the rest was distributed amongst the peasantry on the condition that they should eventually redeem their lots by the payment of compensation to the landowners. The State issued bonds to the latter, representing the amount due from the peasants, and decreed that the debt should be paid within forty-nine years. The redemption, however, was not to begin at once, but the peasants were allowed to enter into an arrangement with their former proprietors

[1] Simkovitch, "Die Feldgemeinschaft in Russland." Struve, "Archiv für Soziale Gesetz: u. Statistik. Sonderabdruck," Band V., Heft 3; pp. 501-3. Kaufmann, "Beiträge zur Kenntniss der Feldgemeinschaft in Siberien." "Royal Commission on Labour: Report on Russia," p. 16.

by which they remained in partial dependence upon them, and paid rent for the use of their lands. In 1881 an Act was passed requiring the so-called "temporary obligors"—*i.e.*, those peasants who were paying a yearly rent—to begin the redemption of their land immediately, and in 1885 this Act was extended to the former State serfs. The payments were fixed at different rates according to the locality, and levied in such a way that the smaller the lot of land the higher the rate in proportion. In determining the amount of the lot the State fixed a maximum and minimum, varying in different localities, which were generally equivalent to the amount of land allotted to the peasants whilst serfs. When the amount of land occupied by the peasants exceeded the maximum allowance, the landowners might appropriate the surplus, but where the peasants' lots were found to be below the established minimum, the deficiency was made up out of the estates of the nobles. By voluntary arrangement with the peasants the landowners had the option of giving them at once one quarter of the maximum as a free gift, and so closing all further relations or mutual claims. Very few peasants, however, were willing to avail themselves of this "donative" or "quarter" allotment. The former State serfs received very much larger lots than the former private serfs. The following table represents the distribution of land as made in 1861:—

	Number of males according to census of 1857.	Land allotted.		Average size of peasants' lots.	
		Dessiatins.	Acres.	Dessiatins.	Acres.
Private serfs .	10,749,845	37,083,476	92,708,690	3·45	8·62
State serfs . .	10,745,738	75,438,118	185,595,295	7·02	17·56
Crown serfs .	900,486	4,333,261	10,833,153	4·8[illegible]	12·03
Total .	22,396,069	116,854,855	289,137,138	5·22	13·04

Since this division the population has enormously

increased, and the size of the lots has in consequence greatly diminished in many cases.[1]

The following is the account of the action of the Government with regard to the redemption of the lands given by a recent Russian official publication. "The State paid to the landowners, *at their request*, a sum equivalent to the capitalisation of the four-fifths of the amount of annual dues they declared they received from the serfs, became *ipso facto* owner of about one-third of the land owned by the landlords, and gave this one-third into the hands of the peasants, simply placing to their charge, on its own authority, annual taxes sufficient to pay the interest and amortisation of the *Government bonds* issued in payment to the landowners. . . . What the former serfs declined to pay, by mutual agreement, as annual dues to their owners, the State levied on them, on its own authority, under the name of *redemption taxes* (literally redemption payments). The members of every commune are jointly and severally liable for the payment of these taxes, and cannot throw off their responsibility by renouncing their rights to the land, which was assigned them without their having expressed any wish to possess it. They simply pay the State the annual dues which they would formerly have paid their former masters, had serfdom not been abolished. . . . At the present time (*i.e.*, in the year 1900) after the so-called Redemption Annual Payments levied by the State on the former serfs of private owners *have been considerably lowered*, it may be assumed that these 'payments' do not exceed the *fair rent* of the 112,000,000 acres assigned to the payers Consequently, regarding the matter from an exclusively *economical* point of view, and seeking to be as concise as possible, one may be allowed to say that these 'Payments' correspond, as it were, to the annual interest on the money for which the State resold to the former serfs the land it had purchased from the

[1] "Royal Commission on Labour: Report on Russia," p. 16. Simkovitch "Die Feldgemeinschaft in Russland," pp. 241-6.

landlords. But, from an historical and juridical point of view, such a way of stating the case would be incorrect. Strictly speaking, the former serfs of private owners are not purchasers, still less borrowers. They are taxpayers."[1]

It is implied in this passage that before the recent lowering of the redemption annual payments, they did considerably exceed the fair rent of the land. This fact, together with the small size of many of the peasants' lots, and also the collective responsibility of the community for the taxes, has exercised a powerful and injurious influence upon the peasant agriculture. This point will be more fully dealt with below.

The Emancipation Act did not require any alteration to be made in the existing mode of tenure in any locality. Where communal ownership was customary the land was apportioned to the community as a whole, but where individual ownership prevailed it was allotted to individuals. The deeds were in all cases, however, delivered to the community or village, which was made responsible for all taxes and redemption payments, and this led to an increase in the communal system; for the community is directly interested in seeing that the labour on each piece of land is sufficient to discharge the obligations attaching to it, and redistributions of land are accordingly resorted to at definite or indefinite periods. Wherever the pressure of taxation is most severely felt the partition of the land according to the number of labourers and even according to the capacity of the individuals is most precise, and no member of the community may avoid his share of the burden. If any peasant has no cattle or means of cultivation left, and is hopelessly involved in debt, his land is taken from him and given to some one else. Such conditions are frequently found in Central and Eastern Russia, and in the government of Samara about 14 per cent. of all the peasants are

[1] *The Russian Journal of Financial Statistics*, Second Specimen Number, February 1901, pp. 664, 665. (The italics are in the original.)

without land. In other districts the redistributions of land to the members take place according to the supposed requirements of each and not according to the number of the family; for some portions of land the *mir* has often great difficulty in finding an occupier. Such are the conditions prevalent in South-east Russia, the most purely agricultural part of the empire, and a large proportion of the taxes are constantly in arrears.

Pasture and forest lands are not generally divided, but remain the common property of all the inhabitants of the village. In some cases the meadow land is also common property and the hay is divided amongst the villagers after it is mown. The two chief modes of distribution are by "souls" and by households. In the former, every male inhabitant numbered in the last census is counted as a "soul" (*dousha*), and changes of population are not taken into account until there is a revision of the census. In the latter, each household or married couple (*tiaglo*) is given a share of land, so that changes in the allotments are constantly in progress. During the period of serfdom, the term *tiaglo* designated the labour unit, which consisted of a man, a woman, and a horse, but now it is applied to any married couple. Communal ownership prevails almost exclusively in Great Russia and New Russia —that is in the north, east, and south—but in Little Russia, Poland, and the west provinces individual ownership is very prevalent. Both forms of ownership are, however, subject to considerable restriction. The Emancipation Act of 1861 expressly stated that the peasants should have absolute possession of their lots after they were redeemed, with power to sell or otherwise dispose of them. This power was, however, restricted by the Act of 1893, according to which the land of individual peasants might only be disposed of, whether by gift or sale, to persons who were members of a village community or about to become such. At the same time the community was forbidden

to sell any of the common land, unless by the decision of a majority of two-thirds of all the peasants entitled to vote in the communal assembly, a decision which had to be confirmed by the local authorities, or, if the value exceeded 500 roubles, by the Minister of the Interior. Both the community and individual owners were forbidden to mortgage land to private individuals or societies.[1]

4. Methods of Cultivation and Chief Crops

Although the original aim of the distribution of land amongst the peasants was to give each family the means of subsistence, this object has to a large extent failed, owing to the small size of many of the lots, either in the first instance, or in consequence of the growth of population and subsequent redivisions. It is said that only 8·9 per cent. of the peasantry can spare any of their agricultural produce for sale, whilst 70·7 per cent. cannot raise sufficient produce on their lots for their own subsistence. It follows that whilst some peasants rent additional land to cultivate, many are unable to cultivate their own lots and work for other landowners.

The cultivation of the nobles' estates has fallen off considerably in quality since the emancipation of the peasants, which deprived the landowners of their compulsory labour, and made it often difficult for them to procure sufficient labour for the necessary agricultural operations. The increasing absenteeism of the nobles from their country estates has also contributed to this result, and in many cases they have ceased to provide their labourers with agricultural implements, but employ peasants to cultivate the land with their own implements and by their own methods. There are three principal ways of employing agricultural labourers.

[1] "Royal Commission on Labour: Report on Russia," pp. 10, 16, 17. Schulze-Gävernitz, "Volkswirtschaftliche Studien aus Russland," pp. 315-17.

First, peasants may be hired to perform special work in return for a money payment or the use of a certain amount of land. In the latter case the peasant can sow one-third of the land with his own seed, for his own benefit. He uses his own horse and implements, and provides his own food. Secondly, the peasant, instead of having the use of a certain amount of land, has a certain share in the harvest, a method more to the advantage of the landowner, as it gives the labourer a direct interest in cultivating the land properly. Sometimes a whole village community undertakes to perform certain work for a landowner, in return for the right to let the village cattle graze on his land, or some other special privilege. The third method, which prevails in the southern and south-eastern steppe regions, is to hire workmen by the year, season, or day.

At the time of the principal agricultural operations there is a general migration of labour southwards. The northern districts of the forest and flax zone always have a superfluity of labour, and send workers to the towns and factory districts, and also to the agricultural districts of Central Russia. But these central districts suffer from scarcity of labour, because a great number of the inhabitants go in their turn farther south in search of work in the scantily populated steppe regions. The reason seems to be partly economic, because wages are higher in the south, and partly social, because the stigma of serfdom and compulsory labour is still attached to the work of hired labourers in the central governments. On these long journeys, often made entirely on foot, the labourers suffer great privations and fatigue, and lose a great deal of time, which is not compensated for by the small sums of money which they are able to take back. It has been calculated that, when travelling expenses are deducted, their average earnings throughout the summer do not amount to more than thirteen or fourteen kopeks a day, whilst there are years when

many return home with empty pockets, having spent the small sum with which they started on the journey. In the meantime the rich landowners in the central districts are largely dependent upon the assistance of the poorer neighbouring landowners, who are employed on one of the share systems already described, and provide their own implements. The consequence is that even the large estates in this part of Russia suffer from the defects of peasant cultivation which will be described more fully below. The steppes of South and East Russia, on the other hand, depend for their cultivation chiefly upon migratory labourers from other districts, and suffer from the uncertainty and often the deficiency of labour. The labour contracts are usually for very short periods, sometimes only by the day, and wages fluctuate very much. One result is that the landowners are gradually introducing labour-saving machinery and improved methods of cultivation.

A new class of cultivators is now rising up in Russia amongst members of the citizen and mercantile class who have bought or rent landed property. These, as they bring more intelligence, energy, and business ability, to bear upon agriculture than either the nobles or the peasants, as a rule, are more successful. There are also members of the peasant class who have become enriched by successful cultivation, and have added to their land by buying or renting parts of the nobles' estates. "Nowhere on the continent of Europe," says Professor von Schulze-Gävernitz, "does the renting of land play so important a part as in Russia." It is calculated that, during the period from 1880 to 1890, 40 per cent. of the farmers on the State and Crown lands were members of the peasant class, whilst the rent of farms on these lands amounted to no less than three hundred million roubles annually. The renting of land which is private property is, however, still more frequent, and is constantly increasing, as the peasants find their allotted lands less and less sufficient for their requirements. The rent is sometimes paid in

money and sometimes in kind, money rents being most frequent in the south, especially in Little Russia and New Russia. Payments in kind take the form of either a share of the produce, or a return in labour. Both of these methods are felt as onerous by the peasants, who accordingly dislike them, and, as the landlords also find them uncertain, there is now a growing tendency to substitute a money rent. The length of the lease when land is let in small amounts is usually only one year, but there is also a tendency to increase the length of the lease, when the tenant is sufficiently well off to farm in a way that does not exhaust the soil. In some cases village communities rent additional land in the neighbourhood for the use of their members, amongst whom it is divided equally, if the rent is low. If the rent is high the land is shared amongst the richer peasants only, who can afford to pay their share. In other cases well-to-do peasants join together in co-operative associations (*artels*) to rent and cultivate land. In these cases the length of the lease is generally three, six, nine, or twelve, years. The rent of land is rising rapidly throughout Russia, and during the last thirty years the price of land has increased fourfold and even fivefold in Central and South Russia, whilst in the east and west it has been doubled and trebled.[1]

The systems of agriculture, which are still in practice over the greater part of Russia, are extremely primitive. In the northern and north-eastern districts of the forest zone the so-called "forest-field" system prevails. Here the trees are felled and the soil prepared for the cultivation of grain over a tract of land, which is cultivated for a few years and then left to fall back into forest. The steppe-system, or "resting-system," of the south and south-west is very similar. Tracts of the virgin steppes are ploughed up and taken into cultivation until the soil is exhausted, and are then left to become

[1] Schulze-Gävernitz, "Volkswirtschaftliche Studien aus Russland," pp. 319-31. "Royal Commission on Labour: Report on Russia," p. 27. M. W. de Kovalefsky, "La Russie à la Fin du 19me Siècle," pp. 125-9.

steppe land again for a period of years more or less long. Five years of cultivation and fifteen years of rest are the times usually adopted, as any shorter resting-time is found to be insufficient for the soil to regain its productiveness. The "three-field" or "three-year" system was the prevailing system of farming over the rest of Russia until the present time, when improved systems of rotation of crops are being introduced. This system consists of a simple rotation for three years, during which winter wheat is grown one year, oats, barley, or buckwheat, the second, while the field lies fallow the third. The introduction of the potato, the increased cultivation of flax, and the cultivation of beetroot, and of various forms of fodder, as well as the increased use of natural and artificial manures, are all tending to produce more complicated systems of agriculture, comprising a rotation of crops with fallow or grass extending over six or more years. Numbers of variations of such systems are given in "The Industries of Russia: Agriculture and Forestry," from which one may be quoted as an example:—(1) manured fallow; (2) winter wheat; (3) sunflower, maize, or rape; (4) barley or millet; (5) fallow; (6) rye; (7) peas or buckwheat; (8) oats with grass, lucerne, and spartum; (9), (10), and (11) grass; (12) flax or spring wheat. The three-field system is, however, still the characteristic method of peasant cultivation.[1]

Very great differences are also found amongst the agricultural implements in use in different localities, and by different cultivators, while in some parts of the empire the newest kinds of labour-saving machinery are in use, side by side with the most primitive and laborious methods of cultivation by hand with very inadequate implements. It is, however, only on the estates of well-to-do landowners that much machinery is used. The original Russian plough (*sokha*), which is still in common use amongst the peasants, is constructed entirely, or almost entirely, of wood, and is

[1] "Industries of Russia: Agriculture and Forestry," pp. 62-73.

drawn by one horse or ox. There are several improved varieties of the *sokha*, in which iron shares or points are used, the construction being more solid, but none of these are suited to heavy or deep ploughing. In the steppe regions, where the soil is hard and compacted by the fine roots of the steppe grass, the *sokha* is useless, and a heavy plough of local invention and construction is used, known as the Little Russian *saban*. These implements are of great strength, and as many as five or six yoke of oxen are used with them in breaking new land. In the more southern steppes, owing to the extensive arable lands and the scarcity of labour, a new kind of plough has been introduced, with four or five shares, so that several furrows can be ploughed at once. This is called a *bucker*, and was the invention of the German colonists. Sowing is generally done by hand, although on a few of the best cultivated estates drills are used, and grass and corn are cut as a rule with scythes. Reaping machines have, however, been introduced into some districts, and there is now a considerable manufacture of the simpler forms of these in Russia, whilst self-binding machines and other complex varieties are imported. Thrashing is still carried on in many places by the most primitive methods of hand labour, or by driving horses, or carts, or wooden rollers over the sheaves, and winnowing is done by the spade and wind process or with very simple apparatus. But in these processes also there is a growing demand for improved machinery, and thrashing-machines and fanning-mills are manufactured in Russia as well as imported from abroad.[1]

The chief agricultural produce in Russia consists of different kinds of grain, and the export of grain plays the most important part in the international trade of the empire. The cereal which holds the first place in cultivation is rye, which is the crop chiefly cultivated by the peasants, of whose food it forms the staple part, but wheat is the principal grain for exportation, and is

[1] "Industries of Russia: Agriculture and Forestry," pp. 80-85, 263-70.

increasingly grown for that purpose. The following table shows the areas under various crops in European Russia in 1893 :—

Crops.	Area.		Percentage of total area sown.		
	Dessiatins.	Acres.	Peasants' lands.	Landowners' lands.	Total.
Rye . . .	23,929,445	59,823,613	38·7	32·2	37·0
Wheat . .	10,721,115	26,802,788	14·9	21·0	16·6
Oats . .	12,922,127	32,305,318	20·0	19·9	19·9
Barley . .	4,612,754	11,531,885	7·6	5·9	7·1
Buckwheat .	3,665,226	9,163,065	5·7	5·7	5·7
Millet . .	2,432,749	6,081,873	3·9	3·3	3·3
Maize . .	556,442	1,391,105	0·9	0·9	0·9
Spelt . .	344,444	861,110	0·7	0·1	0·5
Peas . .	831,011	2,077,528	1·3	1·3	1·3
Potatoes . .	1,375,176	3,437,940	2·3	1·8	2·1
Other cereals .	3,273,472	8,183,680	4·0	7·9	5·1
Total .	64,663,961	161,659,905	100·0	100·0	100·0

The chief seat of the cultivation of wheat is in the extreme south and south-east, where from one-third to one-half the land under crops is sown with this grain, whilst the largest proportion of land under rye is to be found in the central districts, and oats preponderate in the northern governments. Barley is grown in the north and also in the south-west of Russia, whilst buckwheat and millet extend over the Black Mould zone. In consequence of the great variations in soil and climate in different parts and also of the very various methods of cultivation, the yield of the different crops varies enormously in different localities; and owing to climatic and other conditions the fluctuations in the yearly crops are also very great. This is especially the case in the south, and therefore the fluctuations in the wheat crop are particularly violent. In spite of these fluctuations, however, the amount of grain exported gradually increases in a fairly steady manner from year to year, owing to the fact that when the crops exceed the average the surpluses accumulate in the country,

whilst in years in which the crops fall below the average, the home consumption falls off. The following table shows the extreme variations from the average yield over a period of eleven years (1881 to 1891) and also the average proportion of the crops exported:—

Crops.	Percentage of the average yield.		
	Extreme variations.		Average export.
Rye	– 29·6	+ 11·1	6·6
Wheat	– 34·4	+ 25·5	37·3
Oats	– 27·5	+ 8·7	10·4
All breadstuffs . . .	– 26·4	+ 10·7	13·5

The increase in the export trade is shown in the following table, which gives the yearly average exports of wheat, rye, oats, and barley, for five-year periods from 1866 to 1890:—[1]

	Wheat.			Rye.		
	Million poods.	Tons.	Percentage of increase.	Million poods.	Tons.	Percentage of increase.
1866-70.	76·7	1,221,428	100	19·8	305,357	100
1871-75.	92·0	1,474,571	120	53·0	851,785	268
1876-80.	110·4	1,767,857	144	82·9	1,317,852	419
1881-85.	123·8	1,994,633	162	60·5	964,285	306
1886-90.	160·7	2,571,428	210	82·0	1,310,000	414

	Oats.			Barley.		
	Million poods.	Tons.	Percentage of increase.	Million poods.	Tons.	Percentage of increase.
1866-70.	14·8	225,000	100	7·2	112,500	100
1871-75.	23·8	369,638	161	11·7	167,785	162
1876-80.	42·6	675,000	288	20·5	321,428	278
1881-85.	51·1	819,669	345	32·0	513,839	444
1886-90.	61·1	975,892	413	61·2	980,357	850

[1] 1 pood = 36·112807 British lb. (100 poods = rather more than 1½ British tons).

The actual exports for the three years 1899-1901 from European Russia and the Caucasus (including exports to Finland) were as follows:—

	Wheat.		Rye.		Oats.		Barley.	
	Million poods.	Tons.	Million poods.	Tons.	Million poods.	Tons.	Million poods.	Tons.
1899	106·9	1,609,000	60·7	970,000	28·5	455,000	74·5	1,274,000
1900	116·7	1,866,000	93·2	1,491,000	80·0	1,280,000	53·5	855,000
1901	138·4	2,214,000	82·7	1,322,000	80·3	1,284,000	77·4	1,238,000

From this it appears that the greatest absolute increase has been in the exportation of wheat, although the proportional increase has been larger in the exportation of the three other grains during the last twenty-five years. The exportation of rye fluctuates more than that of any other grain, owing to the fact that it forms the staple of home consumption, and that the amount available for export diminishes when the harvest is bad. It is also of less importance in the international markets than the other grains. During the ten years 1891-1900 Russia suffered from a succession of bad harvests, sometimes local and in other years more general, and the export grain trade fell off to some extent in consequence. In 1898 breadstuffs showed on the whole a diminished export, as compared with the preceding year, of 9,662,463 cwt., the decrease falling under the heads of wheat, rye, oats, and bran, whilst there was an increase in the exportation of barley and maize. Again in 1900 the report of the Odessa Department of Trade and Manufactures on the grain trade from that port stated that the previous year was the most unsatisfactory on record. The causes that had contributed to this result, besides the failure of the crops, were said to be the keen competition of the many new outlets for the export of grain in South Russia, the inordinate number of middlemen, and the plentiful harvests in Europe and America. In 1902, however, there was an unusually good harvest, the total produce

of grain being larger than in any year from 1892-1901, and 27 per cent. greater than the average for that period, and the amount of the export also rose. Great Britain was the largest importer of Russian grain, except in the case of rye, for which Germany offered the chief market; but recently the exports to Great Britain have fallen off, whilst those to Germany are increasing. The following table shows the decrease in the amount of wheat exported annually from Russia to Great Britain since 1892:—

	Annual export of wheat to Great Britain.		Percentage of total export.
	Poods.	Tons.	
1888-92 . .	67,774,000	1,083,610	40
1893-97 . .	54,855,000	876,825	26
1897 . .	45,232,000	723,480	21
1898 . .	24,647,000	393,705	13
1899 . .	11,741,000	187,115	11
1900 . .	15,397,000	245,955	—
1901 . .	10,958,000	174,370	—

The total exports of grain to Great Britain and Germany respectively during the three years 1898-1900 were as follows:—

EXPORTS OF GRAIN.

	To Great Britain.		To Germany.	
	Poods.	Tons.	Poods.	Tons.
1898	86,818,000	1,388,270	87,586,000	1,400,790
1899	69,743,000	1,115,145	74,586,000	1,192,790
1900 (first ten months)	78,378,000	1,253,670	80,484,000	1,287,260
EXPORTS OF FOUR PRINCIPAL GRAINS ONLY.				
1900	80,602,000	1,289,030	65,304,000	1,044,560
1901	78,644,000	1,257,660	65,168,000	1,042,520[1]

[1] *Board of Trade Journal*, November 1899; March 21st, 1901. "F.O. Reports: Trade of Odessa and District for the year 1899." "Statesman's Year-book," 1903. "Industries of Russia: Agriculture and Forestry," pp. 93-134.

The cultivation of flax, both for the fibre and for the seed (linseed), forms an important agricultural industry in Russia, and furnishes two of the chief articles of export. The plant is cultivated to some extent in all parts of European Russia, except the extreme north, but nearly three-quarters of the flax fields are in the forest zone. The total area under flax in European Russia in 1900 was 3,705,800 acres, or about 2 per cent. of the total cultivated area. The export of flax fibre has been carried on for a long time, but has increased very much since the end of the eighteenth century, when the amount annually exported was about one million poods (16,000 tons). The annual weight of fibre exported in recent years has averaged about 209,000 tons. The total exports of flax from Russia in 1900 amounted to 170,000 tons, as compared with 225,000 tons returned for 1899. The bulk of the flax exported finds a market in Great Britain (30 per cent.), Germany (20 per cent.), and Belgium (15 per cent.) After 1880 there was a great decrease in flax-sowing, due to the small demand for linseed and flax fibre. The cultivation has, however, again increased recently. The Russian Central Committee of Statistics calculates the average annual production of flax in European Russia for 1896-1898 as 40,000,000 poods (540,000 tons), of which 18,000,000 (288,000 tons) are flax fibre. On the southern steppes and in some other districts the flax plant is cultivated entirely for the sake of the seed, the straw left after thrashing being generally used for fuel. From 1888 to 1891 the linseed harvest and exports were as follows:—

Weight of Seed.

	1888.		1889.	
	Poods.	Tons.	Poods.	Tons.
Harvest . .	28,349,000	448,000	24,272,000	384,000
Exports . .	22,052,000	352,000	23,978,000	368,000

	1890.		1891.	
	Poods.	Tons.	Poods.	Tons.
Harvest . .	21,616,000	336,000	18,582,000	288,000
Exports . .	21,989,000	350,000	14,957,000	224,000

Almost the entire harvest of seed is therefore grown for the purpose of exportation.[1]

Hemp also forms a very important crop in all the districts of European Russia, except the extreme north, but especially in the Black Mould zone, where it has the same importance as flax in the northern regions. With regard to the production of hemp Russia stands first among the countries of Europe, her production being more than 40 per cent. of the total quantity. The average annual harvest of hemp, fibre, and tow in Russia is calculated at 6,000,000 poods (96,000 tons), of which about 3,500,000 poods (56,000 tons) are exported. The hemp plant is also cultivated for the sake of the seed and the oil that is extracted from it, but the export of these is not great. The sunflower is now largely grown for the sake of the oil yielded by its seeds, but is confined to the southern and south-eastern governments, where alone the seeds ripen completely. The crop is a very profitable one, and the number of mills for extracting the oil increased between 1884 and 1889 by more than 20 per cent., the value of the production in the same period increasing by nearly 95 per cent. Almost the entire production of oil is for home consumption, but sunflower residues are largely exported as food for cattle and fowls. Rape seed and wild mustard are other oil-yielding plants which are extensively cultivated, but not as a rule by the peasants.[2]

The cultivation of the beetroot for sugar has

[1] "Industries of Russia: Agriculture and Forestry," pp. 83-4, 135-9. *Russian Journal of Financial Statistics*, pp. 239-41. "Russia: its Industries and Trade," pp. 176-8. *Journal of the Board of Agriculture*, December 1901.

[2] "Industries of Russia: Agriculture and Forestry," pp. 139-54.

developed very largely since its introduction in the beginning of the nineteenth century, and an extensive sugar refining industry has also grown up in Russia. The south-eastern governments and Poland are the chief seats of the industry, and beet is cultivated by both peasants and landowners as near as possible to the refineries, its transport being difficult and expensive. In 1825 there were only seven sugar refineries in Russia, but in 1895 the number had risen to 231, and in 1901, to 277. In the latter year there were 1,309,986 acres under beetroot cultivation, whilst in 1895 there had been 865,862 acres. The production of refined sugar in Russia during 1900 was estimated at 54,640,668 poods (872,000 tons), of which 36,000,000 poods (576,000 tons) was required by the law of June 22nd, 1900, to be kept for home consumption, whilst the remainder was exported. Tobacco is grown over a great part of the empire, but is only of importance in the Black Mould zone and the southern steppes. It is generally of an inferior quality, but is exported to some extent. In 1898 there were 580,254 tobacco plantations in Russia, covering 167,293 acres, and 85,220 tons of tobacco, cigars, cigarettes, etc., were manufactured. The crop was more profitable before the emancipation of the peasants, as it is now difficult to procure the great amount of labour which is required. The same obstacle hinders the development of tea-growing in the south, where the climate admits of its cultivation, but at present it only forms a small subsidiary crop. Cotton is not cultivated at all in European Russia, but in Russian Turkestan and in Caucasia the production of cotton is already large and is rapidly increasing. At present the amount produced annually is about 100,000 tons, of which 10,000 are grown in Trans-Caucasia and the remainder in Central Asia.[1]

[1] "Industries of Russia: Agriculture and Forestry," pp. 143-73. *Board of Trade Journal*, December 1899 and March 7th, 1901. M. W. de Kovalefsky, "La Russie à la Fin du 19^{me} Siècle," p. 160. "Statesman's Year-book," 1903.

The northern districts of European Russsia are, as has been stated, almost entirely covered by forests, and forestry already constitutes an important industry, although little has been done as yet to regulate or develop it. Until the middle of the last century there were abundant woods also in Central Russia, but since the emancipation of the peasants these have been rapidly destroyed, the causes being the demand for wood for building purposes by the peasants, and for fuel in manufactories and on the railways, and the desire of the landlords to realise money by the sale of timber. Owing to the injurious effects which the disappearance of the forests was thought to have upon the climate and soil, a law was passed in 1888 for the protection of woods, by which the rights of forest owners were limited and regulated. The complete clearance of any woods near the sources or banks of rivers is now prohibited, and trees felled for fuel purposes must not be less than 40 years old, nor for building purposes less than 80 years old. This law is enforced throughout the central and southern districts of Russia, but not in the northern forest zone, where there seems to be at present no danger of the extermination of the forests. The territory now covered by forests in European Russia is reckoned at 474,000,000 acres; in Finland 50,500,000; in Poland 6,700,000; and in the Caucasus 18,700,000, or altogether about 39 per cent. of the total area of these regions. The State is the largest forest owner, possessing no less than 64 per cent. of the whole in European Russia, and in the extreme north as much as 98 per cent. of the forest lands. The most widely spread species of tree in Russia is the fir (*Picea excelsa*) and next to that the pine (*Pinus sylvestris*), which extends farther south than the fir. Of leaf-bearing trees the most frequent are the birch, the aspen, and the oak, though the last does not grow at all in the north. The export of timber and wooden goods in 1901 attained a value of 56,910,000 roubles, but the consumption of wood within the empire for

fuel and building purposes is very large. The United Kingdom is the largest purchaser of Russian timber, her import constituting in 1900, 40 per cent. of the entire Russian export.[1]

5. Cattle Rearing

The raising of live stock is another very important branch of agriculture in Russia. "Dairying and the fattening of cattle are carried on largely in the north-western governments, in the Baltic Provinces, and in Finland, while in Poland and the western governments dairying and pig-breeding are extensively practised. In the less fertile north-eastern governments fattening of stock is less profitable, though the peasants, who own the greater part of the land in this region, breed large numbers of cattle known as Great Russian cattle, and in some districts of this region dairying is a prominent industry. The most important stock-raising districts lie, however, in the southern and south-eastern steppe governments, and also in the Don territory. Here the industry is assisted by extensive pastures, and an abundance of winter keep. It is in this region also that horse-breeding has found its greatest development. In Trans-Caucasian and steppe districts of Central Asia and Western Siberia cattle-herding is still the predominant industry of the inhabitants. . . . The great sheep-breeding districts lie in the southern and south-eastern governments of the empire, the size of the flocks diminishing from south to north, while in the north-eastern governments the sheep stock relatively to the area and population is very small." The numbers of different classes of live stock throughout the Empire in 1900 were calculated as follows :—

[1] "Statesman's Year-book," 1903, pp. 1029-30. "Russia : its Industries and Trade," pp. 316-24. *Journal of Board of Agriculture*, December 1901.

	Horses.	Cattle.	Sheep and goats.	Swine.	Other animals.
50 Governments of European Russia	19,681,769	32,913,228	49,643,410	11,370,511	166,182
10 Governments of Poland . .	1,393,908	3,003,629	2,548,081	1,259,001	18
11 Governments of Caucasia, Siberia, and Central Asia	4,886,029	7,670,040	21,003,832	1,294,942	202,879
Total . .	25,961,706	43,586,897	70,647,322[1]	13,924,454	369,079

As compared with the returns for 1888 the figures for 1900 show a decided increase in European Russia and Poland. The numbers are as follows :—

	Horses.	Cattle.	Sheep and goats.	Swine.
1888 . .	20,867,000	27,622,000	49,613,000	10,742,000
1900 . .	21,076,000	35,917,000	52,191,000	12,629,000

The smallest increase has taken place in the number of horses, and between 1888 and 1898 there was an absolute diminution in their number. This was due to the succession of bad hay and corn harvests during that period, which made it impossible for many of the peasants to feed their horses during the winter. Thus throughout ten governments which suffered most from the famine of 1891, it was calculated that the number of horses owned by peasants in 1888 was 5,376,000, and in 1893, 4,220,000. In the same governments the number of farms belonging to peasants who owned no horse at all increased from 618,000 in 1888 to 818,000 in 1893, whilst the number of those who owned two or more horses fell from 1,253,000 in 1888 to 1,004,000 in 1893. The number of draught and other cattle belonging to the peasants in Central

[1] This total does not result from the addition of the items, but is the one given in the official returns.

Russia and generally over the Black Mould zone, also decreased between 1888 and 1898 from the same causes.

Great efforts are now being made by the Government to improve the breeds of the various kinds of live stock, especially with a view to fostering meat and dairy exports to Great Britain. During the last few years "the requirements of the British market have created in Russia a profitable export trade and industry in game, eggs, and butter. . . . For the greater development of the meat export trade, the Ministry of Finance has granted to the Moscow Agricultural Society a sum of 175,000 roubles, of which 65,000 roubles will be devoted to the organisation of experimental exports of meat to Great Britain, and 10,000 roubles to arranging for periodical visits to British agricultural markets of parties of Russian agriculturists and dealers in agricultural produce." In 1899 European Russia furnished 14 per cent. of the total meat production of the world, and the increase in the exports of meat, eggs, and dairy produce from Russia is shown in the following table:—

	1899.	1900.	1901.
	Roubles.	Roubles.	Roubles.
Eggs	28,829,000	31,546,000	35,544,000
Dairy produce . . .	7,595,000	14,040,000	27,008,000
Meat	980,000	1,197,000	2,149,000

The value of Russian butter imported into Great Britain in 1899 was £685,493, and in 1901, £1,655,288, and the imports of Russian eggs into Great Britain in the latter year amounted in value to £1,207,474. It is said that a great deal of the best Russian butter, however, is exported to Denmark and from there re-exported to Great Britain as Danish butter.[1]

[1] "Statesman's Year-book," 1901, 1903. "Industries of Russia: Agriculture and Forestry," pp. 204-29. Lehmann und Parvus, "Das hungernde Russland," p. 346. *Journal of Board of Agriculture*, December 1901. *Board of Trade Journal*, December 13th, 1900; January 24th, 1901.

6. Characteristics and Defects of Peasant Cultivation

We have seen that by far the largest proportion of agricultural land in Russia is farmed by peasant cultivators, working either on their own allotments or on the estates of neighbouring landowners. Unfortunately for the country the methods of agriculture which are followed comprise all the defects arising from ignorance and extreme poverty, and are leading to the gradual exhaustion of even the extraordinarily fertile soil of the Black Mould zone. The Russian peasant was till quite recently (1861), and still shows the characteristics of, a serf. He is, as a rule, without energy or enterprise, capable of passively enduring pain and misery, but incapable of improving his position by his own effort or initiative. "He laments his fate or thanks God for it, but accepts both good and evil without the idea ever occurring to him that one can demand the good or combat and overcome the evil. . . . A complete absence of independence, a complete and unconditional submission to whatever comes from an external power—these are the fundamental principles of the peasant's theory of the universe." He has, in consequence, in very few cases even attempted to overcome the economic difficulties left by the emancipation, and under the sway of the village community is often no more free than he was in the state of serfdom.[1]

The emancipation gave the peasants their personal freedom, but imposed upon them the burden of paying both taxes and the redemption payment for their lands, payments which had to be made in money, whereas their former obligations had been discharged in labour or natural produce. And since, owing to the small size of the lots, and the backward state of cultivation, the

[1] Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 334–5.

produce is sometimes entirely or almost entirely swallowed up by these payments, the possession of land has become no privilege, but an obligation, enforced by the community upon its members according to their capacity for labour. The hardship of the money payment is augmented by the fact that the taxes must be paid immediately after the harvest. This obliges the peasants to sell their grain when prices are lowest, even though they must buy it back again in the spring at higher prices. Nicolai-on quotes from reports on the grain trade in various parts of Russia to show how widespread this occurrence is, and a proverb has grown up among the peasants: "Do not grieve, little rye, because you must go to the town; I shall certainly have to pay dear for you, but still I shall bring you back." It is, however, in most cases, only in very insufficient quantities that it can be bought back, and as a result the peasants are improperly fed even in ordinary years, and starve when the harvests fail. According to those who best know the circumstances, the majority of the peasants only have enough of their own grain to last until Christmas, and the richer only till Easter.

Moreover, the result of the increased railway and other means of transport within the country and the growing foreign trade, is that the best quality and most nourishing kinds of grain are exported, leaving only the inferior and less nourishing grain for home consumption. Nicolai-on mentions two facts to show how dependent the peasants are for their very existence upon their agricultural produce, and how unwillingly they part with it. The first is that the increase of the population during the twenty years after the emancipation was in proportion to the size of their allotments, or, in other words, the less the amount of produce remaining in the hands of the producers, the slower their rate of increase. The increase of population amongst peasants who possessed less than 1 dessiatin was 16·6 per cent.; amongst those with less than 2 dessiatins, 17·3 per

cent.; with less than 3 dessiatins, 19 per cent.; with less than 4 dessiatins, 21·2 per cent.; with less than 5 dessiatins, 25·4 per cent.; with less than 6 dessiatins, 27·7 per cent.; and with more than 6 dessiatins, 30·3 per cent. The second fact is that, if there is a good rye harvest for two years running, the price of rye falls during the first year, because taxes and debts compel the peasants to sell, but during the second year the price rises, because the peasants keep the grain for their own consumption.[1]

In spite of the forced sales of grain, however, the taxes are frequently, and in some districts constantly, in arrears. This is especially the case in the Black Mould zone, and particularly in East and Central Russia, the regions which depend most exclusively upon agriculture, and where communal ownership is most prevalent. In 1885 the arrears of the peasants' payments amounted to 50 million roubles, and in 1896 the sum had grown to 142½ millions. In some years the amount of the arrears exceeded the whole annual taxation, whilst in certain districts they amounted to three and four times the annual taxation. The following table shows the average annual amount of arrears, and the proportion this bore to the annual taxation in those districts in which the burden of taxation was felt the most, over a period of twenty-five years:—

	Central Russia.		Little Russia.		South-west Russia.	
	Annual arrears in roubles.	Percentage of taxes.	Annual arrears in roubles.	Percentage of taxes.	Annual arrears in roubles.	Percentage of taxes.
1871-75 .	3,932,000	10·4	1,368,000	12·8	1,570,000	13·1
1876-80 .	6,446,000	15·9	1,023,000	8·9	1,126,000	8·7
1881-85 .	11,075,000	28·4	1,898,000	18·3	914,000	7·2
1886-90 .	12,363,000	38·5	2,195,000	31·3	264,000	3·5
1891-95 .	39,225,000	125·3	2,283,000	32·4	366,000	4·9

[1] Nicolai-on, "Die Volkswirtschaft in Russland," pp. 53-79. Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 331-4.

	South Russia.		East Russia.	
	Annual arrears in roubles.	Percentage of taxes.	Annual arrears in roubles.	Percentage of taxes.
1871-75	1,828,000	21·0	5,446,000	25·2
1876-80	3,130,000	33·2	7,991,000	36·0
1881-85	2,851,000	31·4	12,077,000	58·0
1886-90	2,983,000	36·6	17,154,000	98·5
1891-95	1,756,000	20·6	40,478,000	236·0

For the payment of the taxes the village elders, or chief men, are responsible, and stringent measures are adopted to secure the payments so far as it is possible. From peasants who cannot make up their arrears, the land is taken away, and given to others who are better off, and, in some cases, the defaulters are obliged, by the community, to work for an employer, their wages being paid not to them but to the village elder until the amount of the arrears is covered. In the year 1891, as many as 768 peasants were hired out in this way, practically as slaves, to work either on the land or in factories. But, in spite of all efforts, it has become more and more difficult to enforce payment, and during the last few years the rates of taxation have been lowered by the Government, and the payment of the arrears postponed. A full account of these measures was given in the report of the Minister of Finance to the Tsar for 1900, and is quoted below.[1]

It is evident that whatever the origin of the communal ownership of land may have been, its present maintenance is due to the manner of levying the taxes, and it is just in the districts in which the burden of taxation is the heaviest that communal ownership is most firmly established. It is, therefore, according to Professor von Schulze-Gävernitz, rather a symptom than, as it is sometimes asserted, the cause of

[1] Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 331-7. Lehmann und Parvus, "Das hungernde Russland," pp. 446-62.

unfavourable agricultural conditions. But at the same time it has reacted upon those conditions, since all motive for industry and enterprise on the part of an individual peasant is destroyed, when he feels that his extra produce may be seized to pay the debts of a defaulting neighbour, or that at the next redistribution of land he may lose his well-cultivated fields and receive in exchange land which has been thoroughly exhausted. The poorer peasants, on the other hand, demand such redistributions with increasing frequency, in the hope that they may thus obtain fields which have been under better cultivation than their own. Under these conditions it is not surprising that agriculture should deteriorate, even if more direct evils do not arise. Amongst the foremost of these is the falling off in the number of the live stock. This is due, partly to bad harvests, and partly to the increased cultivation of grain in order to pay the taxes by its sale, and consequent diminution of pasture and meadow land. The decrease of the live stock acts injuriously upon agriculture in two ways. Firstly, the peasants have insufficient horses or draught cattle for their farming operations, and are therefore obliged to use the most primitive implements, which only scratch the surface of the soil; while, secondly, they have insufficient manure. This second point is of great importance, as, owing to the growth of population and the increased cultivation of grain for export, the soil of even the rich Black Mould zone is rapidly becoming exhausted. Moreover, the ground which is not manured is light and easily dried up, and the process of clearing the forests, which has been going on both on the estates of the nobles and on the peasants' properties, has rendered the climate much less moist than formerly, so that in some districts droughts are of frequent occurrence. The employment of manure for fuel where it occurs further diminishes the supply available for the land. All these causes contribute to bring about the following results:—
"(1) A general diminution in the yield of the crops.

The maximum of the good years, the astonishingly good harvests, become less and less frequent. (2) The bad harvests become more frequent, sometimes as the direct result of growing grain without interruption on the same soil, sometimes because the impoverished soil is less able to withstand the effects of unfavourable weather. (3) A still more general falling off in methods of cultivation, degeneration of the crops, increase of weeds, etc."[1]

7. Modern Development and Tendencies

Yet in spite of the backward condition of peasant cultivation and of agriculture generally in Russia, there are changes taking place here and there which show that modern tendencies are making themselves felt. The two main directions in which progress can be seen are in the appearance of different social classes amongst the agricultural population, and in the decay of communal ownership in some localities. The former of these implies the growth of a class of farmers on a larger scale than the ordinary peasants, who have added to their original allotments by the purchase or renting of land from the landowners or their poorer neighbours. With the increase in land they are able to obtain a greater proportional return for the labour expended on it, and this in turn enables them to apply more money to their farms in the form of improved implements and methods of cultivation less exhausting to the soil. It has been found in every country that the produce is cheapest in the long run which is the result of employing the best implements of labour and the most capable labourers, so that the best hope for the agricultural future of Russia is to be found in the fact that the land is passing into the hands of well-to-do peasants. M. de Witte, the Finance Minister, in his

[1] Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 337-44. Lehmann und Parvus, "Das hungernde Russland," p. 344.

report on the budget for 1896 said: "Formerly prosperous villages and even prosperous single peasants' farms were an exception. Now a well-to-do class of agriculturists is growing up in all districts, which raises itself above the mass of the peasantry. This class is gaining in numbers and making remarkable advances in prosperity; it owns a considerable proportion of the savings banks deposits, and at the same time is constantly increasing its consumption of manufactured and other goods; it is a class of men who understand how to overcome the unfavourable conditions of agricultural life and to turn all their circumstances to advantage." The process is accompanied by the formation of another class amongst the poorest peasants, who no longer cultivate their own land, but work for others as agricultural labourers or factory hands.

These changes proceed side by side with the introduction of the capitalist system, which is synonymous in Russian literature with an economic system based upon the money currency, and the growth of individualism, and are bitterly opposed by the Slavophiles, who see in them the destruction of national characteristics, and the introduction of Western proletarianism. They discredit the prosperous and enterprising peasants by giving them the title of usurers (*kulaki*), and amongst the Socialistic pseudo-Liberals prosperity on the part of a peasant is treated as a vice. It is no doubt quite true that in many cases the richer peasants take an unscrupulous advantage of the needs of their poorer neighbours; but this is not always so, and the rate of interest which they exact, although apparently very high, is not more so than that current in the district, which is necessitated by the general uncertainty of agricultural conditions, and the absence of any power of mortgage. Thus the peasants often regard a money-lender as their benefactor if he does not charge more than 18 per cent. interest, as the ordinary rate is sometimes as high as 30 per cent. Moreover, the

legal restrictions upon the sale of land and communal ownership, which hinder the richer peasants from extending their farms in a legal manner by the purchase of more land, force them into the position of money-lenders, in order to obtain the use of neighbouring fields. As they then employ the legal owners as day labourers at the usual rate of wages, this arrangement is by no means always to the disadvantage of the latter.[1]

Peasants who have been successful as farmers and invested much labour and money in their land are naturally opposed to the system of periodical redistribution, and where the number of prosperous farmers is large they are often able to prevent them. There are, indeed, a number of the more fortunately situated communes in which no redistribution has taken place since the emancipation, and where the holdings have become for all practical purposes private property. There are very few cases, however, in which the development of private property out of the communal land has been legally recognised. The former State serfs have always been more inclined to individual ownership than the former private serfs, not only because they received more favourable conditions at the emancipation, but also because they had previously had more freedom, and were therefore more energetic and enterprising. In some cases, too, as has been shown, they inherited traditions of private ownership of which they had not long been deprived. The fact that at the emancipation they received larger allotments and were burdened with far smaller proportional taxes has made it possible for them to save out of the produce of their land, which has thus become a source of wealth to them which they naturally wish to retain in their own possession. Again, the geographical position of some districts is more favourable to the growth of private ownership than others. Thus in the northern governments, where agriculture is not

[1] Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 355-64; 368-70.

the sole form of industry, and such cultivation as there is must be intensive, communal ownership is neither so widespread nor so firmly established as in the Black Mould zone. Districts which are favourably situated with regard to foreign trade and good markets for their produce are also more inclined to individual ownership. Such are the Baltic Provinces in the north, and those on the shores of the Black and Caspian Seas in the south. There are three classes of peasants in Russia whose customs with regard to land ownership and cultivation are sufficiently distinct from those of the ordinary Russians to require a special mention. These are the Cossacks of Little Russia, the German colonists, and the Jews.[1]

The Cossacks of Little Russia are distinct from the Don Cossacks and the Cossacks of the Ural district and Siberia, who still form an essentially military class and generally despise agricultural pursuits, preferring to let their land rather than to cultivate it themselves. Those who have settled in Little Russia, on the other hand, are energetic and successful farmers, who have managed by purchasing and renting land from the nobles to obtain extensive farms. Many of them possess several hundred dessiatins, and some even cultivate over a thousand dessiatins. They do not as a rule live in villages, as the Russian peasants do, but on solitary farms surrounded only by a few cottages for their labourers, who do not own any land of their own. In their methods of cultivation they are generally far in advance of the Russian peasants, employing deep-ploughing iron ploughs of German manufacture and steam thrashing machines, and manuring the land more regularly. They cultivate wheat and barley for export, often sending the grain in their own ox-waggons to the sea, and bringing back fish and salt. But they eat rye-bread themselves, and live very simply. Unlike the ordinary peasants they generally cultivate gardens round their houses, and plant orchards, and the women

[1] Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 344-8, 355-70.

take vegetables and fruit to the markets for sale. Another distinguishing feature of the Cossacks, and of the Little Russians generally, is that the position of women is far better in their families than amongst the Great Russians. Although the system of large family communities was prevalent amongst the Little Russian Cossacks, it is no longer so, and on the marriage of a son his father endeavours if possible to give him a house and a small piece of land for his own use. The influence of the women has contributed to this breaking up of the communal family system, in which the wives of the sons had a very inferior position. Some traces of it are still to be found, however, in the customs which regulate inheritance. The son who has remained in his father's house has a prior claim over those who have left it, while the daughters inherit no share in the land, and persons who are not relations, but have lived and worked with the family and helped to pay the taxes, take their share with the other members in the division of the property.[1]

During the reigns of Catherine II. and Alexander I. German peasants were invited to settle in the newly opened lands in the south of Russia, in order that they might introduce and teach to the surrounding Russian peasants German methods of cultivation. These colonies still remain quite distinct from the Russian village, and on the whole show a much more prosperous and well-kept appearance, though in some respects they have disappointed the hopes of their founders, and have adopted the prevalent Russian customs instead of setting a higher standard. This has especially been the case with regard to the introduction of communal ownership and of an exhaustive cultivation of the soil. At their original settlement they were granted a large section of land, a house and cattle for each family, and freedom from taxation for a period of about thirty years, but as their numbers have increased the land has been redivided, although the

[1] Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 440-59.

shares are still larger than those of Russian peasants generally. The growth of the population and the communal method of levying the taxes have caused the colonists in some districts to adopt communal ownership in the most extreme form, and in some villages the land is said to be divided afresh as often as every ten years. The colonists have also adopted the Russian "three-field" system of agriculture, which is especially exhausting to the soil in their case, because the grain they chiefly cultivate is wheat, and like the Russian peasants they do not as a rule manure their fields. On the other hand, they use more machinery and better implements than the Russians, and keep their live stock in better condition. Their farm buildings and houses are also more substantial and commodious, and they cultivate gardens and orchards round them. Other traces of their German origin still remain. The women and girls are to be seen knitting as they pass through the villages and fields, a practice that is rare amongst the Russian peasantry, and they provide schools for their children. Professor von Schulze-Gävernitz mentions a newly founded German colony in the south of Kharkoff consisting of twenty-two farms, in which a piece of land was at once set apart for a school, and a teacher provided, who on Sunday acts as pastor to the community.[1]

The number of Jews engaged in agricultural pursuits is not large, owing partly to the laws which forbid them to acquire land or even to live outside the Jewish pale, and partly to their own distaste for agricultural labour. The May laws, if strictly enforced, would prevent all Jews from living outside the urban districts of the pale. Major Evans Gordon, in his work on "The Alien Immigrant," has drawn attention to the fact that, although the Jews do not willingly become agriculturists, yet they form an exceedingly useful element of the population in agricultural districts.

[1] Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 419-25. Lehmann und Parvus, "Das hungernde Russland," pp. 254-67.

Jews act as middlemen between producers and consumers, they are boatmen, carmen, and carriers, and the market organised by their exertions stimulates the peasant to produce more than would otherwise be grown. This increase of production in Jewish districts is so marked that the fact has been observed that famines are practically unknown within the Jewish pale, although the soil is of poorer quality within its limits than in many parts of the empire. This activity is stigmatised in Russia as the exploitation of the peasants, but in the interior, where Jews are not allowed to live, the peasants have no purchasers of their produce, and obviously it is better for them to sell, even at a low price, than not to be able to sell at all. Major Evans Gordon quotes the lower death rate and lower indebtedness of the peasants to the Government within the pale in support of his contention that the Jews "are a beneficial element in the population and promote prosperity in thinly populated agricultural regions like those of Western Russia, where the Christian people have no natural tendency to organise trade on their own account." Mr. Palmer, who shares this opinion, states that if the law confining the Jews to the towns of the pale had been strictly enforced it would have resulted in a complete dislocation of country life and would have been as injurious to the Russian peasants as to the Jews. Both writers agree in maintaining that not the slightest degree of animosity is to be observed between the Christian peasants and their Jewish neighbours; even in districts where the Jews form the majority the Jewish and Christian population live in perfect harmony together.

It is possible that an additional means of livelihood for the Jewish population may be afforded by the new agricultural colleges, which have recently been founded in the neighbourhood of Moscow and other parts of Western Russia. "Negotiations are in progress with the Russian Government which have for their object

the extension to these agricultural scholars of the same privileges enjoyed by skilled artisans, namely, the right to live outside the pale": this permission, if granted, will relieve the towns of the pale of some of their surplus population. Jewish agricultural colonies dating from the first half of the nineteenth century exist in Lithuania, and in the governments of Minsk, Vilna, Kovno, and Grodno, as well as in Bessarabia and the Caucasus; but the area allotted to the settlers is too small to support the natural increase of population, and the inhabitants are now reduced to extreme poverty.[1]

8. Agrarian Legislation

The legislation that accompanied the emancipation of the peasants contained several provisions for the transition from communal to private ownership in land. Thus the whole village community could adopt private ownership by a resolution of two-thirds of the inhabitants, or if all the redemption payments had been discharged by the community, individual members could demand private property in their own allotments. Even if the community had not discharged all its payments, the property of individual members might become their own, if the community gave its consent, or if the member himself paid off all that was due upon his allotment to the local authorities. Amongst the former State peasants any individual could receive his allotment as a private possession if a majority of two-thirds of the community gave their consent. These laws remained unaltered until 1893, but had little practical result, as no whole communities were able to pay off all that was due, and they were unwilling to allow the land of the more prosperous peasants to pass into private property. Advantage was, however,

[1] Major Evans Gordon, "The Alien Immigrant," pp. 79, 121, 132. F. H. E. Palmer, "Russian Life in Town and Country," p. 133. L. Errera, "Les Juifs Russes," pp. 136-44.

taken of the permission for individuals to discharge the redemption payment upon their own land and thus free it from communal control, in some cases by successful peasants who had been able to raise sufficient money for the purpose, and in others by would-be purchasers of the land, who advanced money to the poorer peasants for the redemption of their land, which they were then able to acquire.[1]

In 1889 was passed the first of a series of laws which have had the effect of restricting the power of a village community over its members. In that year the local authorities were given the power to revise the decisions of the communal assemblies, and to annul them if contrary to the welfare of the community as a whole, or unjust to any member of it. In 1893 the power of the local authorities was extended to the distribution of the land, and the following year they were empowered to interfere in the assessment and manner of raising the taxes. Whilst the Government, and especially the Minister of Finance, M. de Witte, hoped in this way to free the peasants to some extent from the oppressive system of communal control, their intentions have been partially frustrated by the fact that the local authorities are, as a rule, imbued with the so-called nationalist spirit, which seeks to maintain the communal ownership of land and communal control over the peasants as characteristic and valuable Russian institutions. And even in legislation these two contrary streams of opinion have found expression. Thus another law in 1893 prohibited redistributions of land at intervals of less than twelve years, and enacted that peasants who had improved the land allotted to them by manuring, draining, irrigation, or in any other way, should in the event of a redistribution receive the same or equally good allotments, or be given compensation. Other regulations restricting the power of the community to interfere with the management of the land between the periodical redistributions, also favoured the

[1] Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 370-71.

growth of individualism; but again in another law passed a few months later the opposite tendency was visible, for by it individuals were declared unable to free their land from communal control by discharging the redemption payments, unless the community gave its consent.[1]

In the report of the Finance Minister to the Tsar upon the budget for 1900, great attention was paid to the agrarian conditions of the peasantry, and the present policy of the Government was set forth in the following passage in somewhat optimistic terms:—

"Following out the directions of Your Imperial Majesty, the financial department has done its best to alleviate the condition of the peasantry, and in this respect the progress made in 1899 is considerable. Arrears of payment in redemption of land have been almost completely done away with, current payments have been made easier, and the methods of levying the assessed taxes on the village communities have been regulated. It is necessary to dwell in detail on these measures, as the opinion is still prevalent, that the causes retarding the improvement of peasant life are the burden of land redemption payments and the considerable amount of arrears, which are collected in a manner ruinous to the taxpayers. There is no denying that when the land was allotted to the peasants, the terms of land redemption were in some cases settled without the paying capacity of the peasantry being sufficiently taken into account, and that the manner of collecting redemption arrears, sometimes in considerable sums and with the employment of severe coercive measures, has prevented the peasants from placing their domestic economy on a firm basis. But attention has already been drawn to this unsatisfactory state of affairs and Your Imperial Majesty has commanded that the rates of payment should be brought within the paying capacity of the peasant population.

"For this purpose two measures have been taken by

[1] Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 372-83.

the Ministry of Finance: (1) postponement of arrears, and payment by instalments, and (2) lowering the present rate of payment by means of readjusting the instalments of the unpaid debt. These measures would not be difficult to carry out, were it possible to give the whole population the same alleviations in regard to redemption arrears and redemption payments. By simplifying the work of the financial department and of local authorities to the utmost, such uniformity would considerably curtail the time necessary to apply the alleviations allowed by law to all the payers of land redemption. But, however great the advantages of this wholesale system may be from a practical point of view, such a solution of the question is hardly in accordance with justice and equity. Economic conditions vary, not merely in different provinces and districts, but even in the same *volost*. Side by side with peasants requiring the special care of the Government, there are others that are quite able to fulfil all their obligations in regard to land redemption, without any difficulty.

"The causes of the existence of arrears are likewise various. Even admitting that, as a general rule, such arrears accumulate, not in consequence of any avoidance of payment on the part of the peasant, but owing to the burden of the redemption payments, or to bad harvests and other calamities, still, for individual villages this burden and these calamities are so different as to be almost incommensurable. Under these circumstances, the wholesale system of tax-alleviation would be contrary to the principles of justice. The peasants would not only fail to appreciate their obligations as taxpayers, but would come to believe in the possibility of avoiding payment, in hopes of some new exemptions or alleviations. There is another objection to this system of wholesale lowering of rates and cancelling of arrears: the budget would suffer by it. In all wholesale alleviations, the Government would have to give up a part of assured revenue, and this

consideration would lead to a reduction in the amount of exemptions, which, in its turn, would prevent these alleviations from being of much use in the case of the most needy taxpayers. These considerations caused the financial department to reject the wholesale system of making redemption payments easier, and to give preference to a slower and more cautious system—that of lightening the payments in strict accordance with the paying capacities of the individual taxpayer.

"This idea forms the basis of the law of February 7th, 1894, for the postponement and the payment by instalments of redemption *arrears*, and the laws of May 13th, 1896, and May 31st, 1899, for measures to lighten the *current* payments in redemption of land. By these laws, prior to granting any alleviation, the economic condition and paying capacity of each separate village community or peasant proprietor is examined into, and the degree of alleviation is based on the data afforded by such investigation. It took some time to make these investigations, but already by 1898, the application of the law of February 7th, 1894 (for the postponement and payment by instalments of arrears), was so far advanced, that the Minister of Finance, in his report on the budget of 1899, was able to predict the completion in that year of the task undertaken. His prediction has proved correct, and at the present time, of the 116,000,000 roubles of arrears due by January 1st, 1899, the payment of 90,000,000 roubles has been distributed in instalments. Of the remaining 26,000,000 roubles the collection of 18,000,000 roubles has been stopped, in view of the proposed examination into the economic condition of the peasantry. Five million roubles of arrears, forming an insignificant part of the assessment, and being due to accidental causes, do not come under the law of February 7th, 1894. Finally 3,000,000 roubles are to be postponed and the instalments adjusted very shortly, and the Minister of Finance is already receiving the applications of the

provincial courts. Thus the law of February 7th, 1894, in regard to arrears due before 1899, has already been applied to almost all cases. In future the financial department will see that the arrears which may accumulate owing to bad harvests and such-like causes, are postponed and readjusted, as soon as they arise, in accordance with the paying capacities of the defaulters.

"The Minister of Finance therefore thinks he may confidently assert that land redemption arrears, accumulating through no fault of the payers, are becoming a thing of the past,[1] and that henceforth the prosperity of the rural population will not suffer from the over-burdensome collection of such arrears. Besides removing the causes of arrears, measures have been taken to lower the rates of the redemption payments. The law of May 13th, 1896, allowed the remaining payments in redemption of land to be readjusted, at the request of the peasants themselves. But during the three years since its promulgation, this law was not applied very frequently. Up to July 1st, 1899, there were comparatively very few applications for readjustment. This slowness was due partly to the peasants not being fully aware of the advantages of the readjustment permitted by the law, and partly to the fact that the considerable reduction in the rates of redemption payments was attained, according to the law of May 13th, 1896, by prolonging the term of redemption very considerably, which did not suit the peasants. In consequence of this, Your Imperial Majesty was pleased to command the Minister of Finance to lay before the Council of State new proposals for measures to lighten the payments in redemption of land by peasants. These proposals, after being examined by the Council, were confirmed by Your

[1] The arrears will continue to exist, and to figure to the debit of the defaulters, but these arrears will no longer be liable to be demanded *at any moment*, so that, from the point of view of the Russian fiscal authorities, they will no longer be arrears in the full acceptation of the term. (Note by Editor of *Russian Journal of Financial Statistics*.)

Majesty on May 31st, 1899. The most important difference between the new law and those preceding it is: *first*, the obligatory and immediate investigation (and not as heretofore, at the request of the peasants) into the economic condition of such villages as have never once, in the course of five years, paid their land redemption tax in full, or that have not, during the said period, paid in all more than 80 per cent. of their redemption taxes, and, *secondly*, the alteration of the conditions on which land redemption payments are readjusted, so as to lower the rate of the instalments considerably, without unduly prolonging the term of redemption.

"From information received by the Ministry of Finance, the law of May 31st, 1899, has attained its object. The obligatory investigations of almost 19,000 villages have been carried on with great vigour, and in many provinces were finished by last autumn. The great privileges granted by the new law, together with the circumstantial explanations given to the peasants during the obligatory examinations, have rapidly increased the number of applications for readjustment of redemption payments, and there is every reason to suppose that the number will continue increasing. In every locality the peasants at first do not avail themselves of the privilege of readjustment of their redemption payments, but when there have been applications from several villages, and especially when such applications have been granted, the neighbouring villages apply for the same privileges. From July 1st to December 1st, 1899, the number of applications for readjustment of redemption payments presented to the Ministry of Finance was very little below that of applications presented during the preceding three years. There are as many as five thousand under consideration in local institutions, without reckoning the application of villages liable to obligatory investigation. In accordance with this examination, the reduction of land redemption payments made during these five months of

1899 (540,000 roubles) is almost equal to the reduction made during the preceding three years. Such progress gives hope of a rapid completion of this work. The Ministry of Finance, on its part, is doing its utmost to forward the universal application of the laws relating to the readjustment of redemption payments, in the way most speedy and advantageous to the peasants, even at considerable sacrifice on the part of the State Treasury. All this makes the Minister of Finance confident of the speedy fulfilment of Your Imperial Majesty's command to bring the rates of assessment into accordance with the paying capacities of the population.

"Besides doing away with arrears and reducing the rate of current redemption payments, the Ministry of Finance is taking measures to regulate another branch of taxation, which has been and still is the object of much censure—viz., the manner of collecting the taxes. The Order of levying assessed taxes on the allotments of village communities, confirmed by Your Majesty June 23rd, 1899, will come into force in 1900. Its object is to regulate the methods of collecting taxes from the peasantry. It is true that this law does not radically change the system, there being an obstacle in the form of the close connection between the rules of collection and the laws governing the economic and social life of the peasants, and the organisation of village government, laws that are in many respects antiquated and defective. Nevertheless, within the limits allowed by the Peasant Law, the law of June 23rd, 1899, brings in many essential improvements in detail. Attention is directed principally to collecting the receipts for the current year, the collection of arrears being considered as less important. The law regulates the compulsory measures and commits the superintendence over tax collection to authorities standing in close relation to the peasants, whose duty it is to look after their well-being. But of far more importance than the particular improvements introduced by the law of June 23rd, are the measures taken to limit mutual responsibility of peasants for the

payments in redemption of land. The very consciousness of liability to answer for another man acts oppressively on the peasantry subjected to it, and creates uncertainty as to the amount of tax each household may have to pay—an uncertainty which deranges the domestic calculations of the peasants, and has a bad influence on their spirit of enterprise. Regarding the restrictions already made as a merely temporary measure, the Minister of Finance on his part is anxiously seeking for some means of totally abolishing, as soon as possible, mutual responsibility for the payment of taxes."

This wish has been carried into effect in 1903. On March 12th (25th) an imperial ukase was published, abolishing the system by which the peasant communities were collectively responsible for the taxes of their members. A long article appeared in *The Official Messenger* at the same time, explaining the importance of the reform and the steps which had led up to it. According to this, "no far-reaching reform could be made in this direction until the system of tax-gathering had been organised; for the abolition of collective responsibility could not be attempted until the administration was itself in a position to gather the taxes from each individual peasant. This reorganisation was effected in 1899, and was followed by serious endeavour to put limits on the system and to restrict the number of cases to which it was applicable. It was, however, thought better to postpone its complete abolition until it could be seen how the new methods of tax-collection worked in practice. Experience has shown that with these new methods the system of collective responsibility was superfluous, and that it was moreover very unpopular with the peasants themselves, who were fully alive to its injustice. Its complete abolition has, therefore, been judged necessary by the Government." [1]

[1] *Russian Journal of Financial Statistics*, February 1901, pp. 300-304. *Times*, April 3rd, 1903.

B. FAMINES

1. Extent of the Famines

Reference has already been made to the falling off in the productiveness of the Black Mould zone, and to the growing frequency of bad harvests. It was not until the year 1891 that the consequent destitution amongst the peasants was officially recognised as amounting to a famine, but since that date there have been several years, notably 1892, 1898, 1899, and 1901, in which the conditions of an actual famine have been present over a greater or smaller extent of the agricultural region. Writing in the autumn of 1898, Count Leo Tolstoy said: "Famine there is not, but there is a chronic insufficiency of nourishment among the whole population, which has continued now for twenty years, is constantly increasing, and is especially acute this year owing to the bad harvest of last year, and will be still worse next year, as this year's harvest of rye is worse than last year's. . . . If by 'famine' is understood an insufficiency of nourishment—not such as to cause immediate death, but such as allows men to linger for a time, dying prematurely, becoming decrepit, ceasing to multiply, and degenerating—then such a famine has existed now for twenty years among the majority of the people of the Black Mould region, and this year is especially acute." In the following year, 1899, Count Tolstoy's prophecy was fulfilled, and whole villages were reduced to such a condition of destitution and disease that their entire population would have perished had it not been for the relief distributed by Government and voluntary agencies. The following table shows the distribution of good and bad harvests from 1889 to 1898, over twenty-five governments lying entirely within or on the borders of the Black Mould zone. The proportion of the harvests given is based on the average harvest during the fifteen preceding years.

Harvests.	Number of Governments in each year.									
	1889.	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.[1]
Below 50% . .	8	2	13	6	—	—	—	—	4	5
50 % to 75 % .	7	5	6	8	—	—	—	3	8	1
75 % to 100 % .	6	10	5	7	6	—	1	5	9	6
100 % or over .	4	8	1	4	19	25	24	17	4	13 (?)

The years of good and bad harvests therefore tend to occur in groups of three or four, but it is noticeable that great variations are to be found in different districts in the same year. The same variation is sometimes found within one government, and within much smaller districts crops above the average have been found almost side by side with crops that have entirely failed. As the bad harvests are generally to be found, however, upon the land under peasant cultivation, the existence of the better harvests upon other lands does not mitigate the distress which they cause, since the landowners cultivate corn largely for export, whilst the peasants depend on their crops for their food and the food of their live stock.

The year 1891 was a turning point in the history of peasant cultivation, which has never recovered from the effects of the famine. In ten governments alone over one million horses, or about a fifth of all those owned by the peasants, perished, with the result that about a quarter of a million peasant proprietors in those districts were left without the means of cultivating their land. The bad harvests of 1898 were not so extensive as those of 1891, but the failure of the crops was even worse in the districts affected. Thus in nine governments with a rural population of over 19,000,000, the harvests amounted to barely one-half

[1] There seems to be some error in the figures for 1898, the number of governments in which the harvest was 100 per cent. being given in one table as 13 and in the other as 2. As it was a famine year, the latter seems more probable, but in that case statistics are given only for fourteen governments. (See "Das hungernde Russland," p. 347.)

of the average, and these governments were in the district from which the surplus grain is usually exported to the northern governments. According to the official calculations the rural population require from 20 to 25 poods (720 lb. to 900 lb.) of grain per head, for their own support and that of their live stock during the year, or 13 poods (468 lb.) for the maintenance of one person; and these amounts are very low as compared with the consumption of the peasantry in Germany and other countries. The following table shows how far below this necessary amount the harvest fell in eight governments in 1898:—

Government.	Population.	Harvest per head in poods in 1898.	
		On all lands.	On peasants' lands.
Riazan	1,695,000	17·25	10·5
Perm	2,860,600	17·19	15·8
Viatka	3,027,100	14·07	13·9
Nijni-Novgorod	1,482,700	13·92	10·9
Samara	2,659,200	8·75	5·2
Simbirsk	1,470,300	8·57	4·7
Ufa	2,160,600	6·69	3·9
Kazan	2,053,100	3·36	2·9
Total	17,408,600		

Even according to the official statistics, in which the most favourable aspect possible appears, in the stricken districts there were during the following year between 12,000,000 and 16,000,000 persons suffering from destitution, and from 8,000,000 to 12,000,000 from actual famine. In 1900 and 1901 there were again failures of crops, especially in the south of Russia, and the famine in the latter year was described by M. de Plehve as by far the worst since the terrible year 1892. It extended over nineteen provinces, in which nearly the whole of the peasant population, as well as the sheep, cattle, and horses, had to be fed by the local authorities, who also had to provide seed for the

fields. In March 1901 it was said that South Russia had been covered by such sheets of snow since December that any outdoor work was still an impossibility, whilst the roads which constituted the only means of communication between the Government board depôts and the peasant settlements were impassable, owing to the thawing masses of snow. In some places the difficulty of cultivation was rendered far greater by the fact that three-fourths of the peasants, after battling with famine for a whole year, found themselves face to face with a second year of famine without either horses or draught bullocks, which had died or been sold in consequence of the failure of fodder.[1]

The mere want of food, terrible as it is, is not the only consequence of the failure of the crops. Disease and other evils follow in its train. Scurvy is an immediate and universal consequence, and terrible descriptions of the ravages of this disease in the summer of 1899 are given by the authors of "Das hungernde Russland." An English visitor to the famine districts, writing in July of the same year, gave the following account of a village of 3,000 inhabitants:—"Eight hundred and sixty-six, mostly women and children, were 'officially' suffering from scurvy. But this estimate only applied to those who were actually found lying in the huts. The number of those in whom scurvy had begun to develop, as shown by the swollen purple gums, was probably as great again. The number of exhausted but 'healthy' was equally great. . . . The healthy lay in the huts among the sick, and this, although scurvy has practically been proved to be infectious when once the strength has been reduced by starvation. In this village the Red Cross Society had been at work since March. It had established twenty-two *stoloviya* or dining-rooms. But the people were too exhausted to come to these dining-rooms,

[1] Lehmann und Parvus, "Das hungernde Russland," pp. 321-48. *Times*, November 1st, 1898; March 24th, September 16th, 1901. *Observer*, November 16th, 1902.

and there was no one to go to them. So scurvy increased. 'At this rate,' said the *starosta* to me, 'in another month every man, woman, and child would have been down.'" In this case the plague was stayed by the arrival of more workers and additional supplies, for unless scurvy has reached a very advanced stage it can be cured simply by good and sufficient food. Famine typhus, an even more terrible disease, is widely spread in the famine districts in Russia, where the mortality is as high as 90 per cent. amongst those attacked by it, and the impoverished constitutions of the half-starved peasants render them an easy prey to consumption and other diseases, which are not the direct result of the famine. The deficiency of fodder for the horses and cattle, which accompanies the insufficiency of food for the people themselves, is almost as deplorable in its results, since by the death of the live stock future agricultural operations are crippled. A want of fuel is a still further element of suffering. In many parts of the agricultural regions, where forests are now becoming scarce, wood for the stove must be bought, if it is to be used, and its place is largely taken by straw or dried dung. But in times of famine there is no money left for wood, and the straw has been used for fodder in a vain attempt to keep the cattle or horses alive, whilst the death or enforced sale of the latter puts an end even to the supply of dried dung. It is then no uncommon sight to see cottages from which the thatch and even the beams of the roof have been taken to be used as fuel.[1]

2. Causes of Famines

In his report on the budget of the empire for 1900, from which a passage has already been quoted, M. de Witte gave the following opinion with regard

[1] Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 384-400. Lehmann und Parvus, "Das hungernde Russland." *Daily Chronicle*, July 11th, 1899.

to the famines and their cause: "The three consecutive bad years our agriculture has just gone through naturally make many people anxious as to what the coming year will bring. The data of the harvest of 1899 are, however, extremely consoling, as they show us that the provinces which suffered from a bad harvest last year (the central Black Mould and the eastern) have had especially good crops this year (1899), yielding nearly two hundred and twenty-five million hundredweight more than in the preceding year. On the contrary, in the provinces that last year had a harvest above the average, there have been more or less serious deficits. It is obvious, therefore, that the bad harvests of past years were not caused by the exhaustion of fertile lands, but proceeded from circumstances of an accidental character. There is far more reason to suppose that the fluctuations of the harvests during the last few years proceeded merely from meteorological causes, and were such as have occurred more than once in the history of Russian agriculture. Every region of our vast empire has its good and bad years in turn, while at times it happens that meteorological conditions are so combined as to cause the total harvest of the whole empire to be considerably below or above the average. The bad harvests of 1891 and 1892 were succeeded by the unusual abundance of 1893 and 1894, and by the very fair harvests of 1895 and 1896. The poor harvests of 1897 and 1898 were followed by that of 1899, which was above the average, but was spoiled by the unfavourable conditions under which the crops had to be gathered. Furthermore, the very fair condition of the autumn-sown crops seems to promise a good harvest next year (1900). It seems likely that the periodical alternation of good and bad harvests will give us several years of plenty, and thus recompense agriculturists for their losses from dearth."

These views of M. de Witte are not shared by other observers, who see in the periodical recurrence of the good and bad harvests a sign that the exhausted soil

takes several years to recover its power, the bad harvests acting as a kind of fallow time, especially as after one or two years of famine the peasants are obliged to leave some fields altogether uncultivated, or with very slight and partial cultivation. Moreover, as has been already stated, it sometimes happens that even in famine districts during years of dearth good crops are found upon the estates of the landowners, which shows that meteorological conditions alone are not to blame. A Russian statistician has shown that during the eleven years, 1888-98, bad harvests occurred on the peasants' lands in the Black Mould zone about once in three and a half years, but on the lands of private owners only once in ten years; and comparing the years from 1850-60 with those from 1880-90, he estimates that the rye harvests during the latter period showed an increase of 12 per cent. upon the lands of private owners, but a diminution of 17 per cent. upon those belonging to peasant proprietors. The conclusion seems to be inevitable that the bad harvests are to a large extent the result of the methods of cultivation followed by the peasants, which again are closely connected with the systems of communal ownership and communal fiscal responsibility. The defects of peasant cultivation have been already described, so that they need only be briefly referred to here. The chief are the "three-field" system of agriculture, with its very restricted rotation of crops and insufficient fallow, the use of primitive wooden implements which do not penetrate below the surface of the soil, and the entire absence over large tracts of the Black Mould zone of any use of manure, and its very insufficient use by the peasants elsewhere. "During all these years," Count Tolstoy points out, "while in other governments they have introduced ploughs, iron harrows, the sowing of grass and other valuable seeds, fruit-growing, and even mineral manures, in the chief agricultural region all things remain as of old, the special kind of plough, the tillage distributed in three crops,

the fields divided into long narrow strips, and all the manners and customs of the time of Rurik." The cause of this conservatism is the characteristic inertia and want of enterprise amongst the peasants, which arises partly from their former serfdom, partly from the crushing poverty from which they suffer, and partly from the restrictions which are still imposed upon individual effort. This produces the "lack of interest in agricultural labour, not laziness, but a dull, cheerless, unproductive manner of working. . . . Such is the character of almost all the work of the peasants of the Black Mould region—ploughing carelessly for sixteen hours with a horse that can scarcely drag itself along, a field, which a good horse, on proper nourishment, with a good plough, could finish in half a day."

Whilst the production of the chief agricultural region of Russia thus remains stationary, or tends to diminish, the population has increased enormously since the emancipation of the peasants, and continues to increase at a rapid rate. Moreover, the amount of corn exported is also constantly growing, and the increased facilities of transport cause any surplus that there may be in a year of good harvest to be carried out of the district at once, instead of being stored up, as used to be the case, with the result that in years of dearth the peasants have nothing to fall back upon. It is evident that all the conditions of a famine are therefore present, when the crops fall considerably below the average. One other feature must be referred to, since it constitutes one of the meteorological conditions of which M. de Witte speaks, but is at the same time the result of human action. This is the increasing dryness of the climate in many parts of Russia, which is generally attributed to the destruction of the forests, especially in the south. Frequent complaints are heard of the deficiency of rain and snow as compared with former years, and in some places small streams have entirely dried up, the ground

becoming dry and sandy. It is even asserted that the level of the Caspian Sea has fallen.

In 1902 a Commission was appointed to inquire into the conditions of agriculture in Russia, and Professor Lenz, a well-known expert, presented a report which attracted a great deal of attention by its pessimistic character. He stated that the irrational system of farming practised by the majority of the small holders was leading to the complete exhaustion of the soil, and this was not redressed by the use of the necessary manures. "Russia would need some eleven million head of cattle, and some eighteen million horses more than she at present possesses in order to obtain fertilising matter sufficient to redress the balance. The Russian farmers are living on their capital, in other words, on the fertile elements of the soil, to the extent of seven hundred and twenty-five million roubles a year, a system of agriculture which must sooner or later lead to the exhaustion of the land, especially in the Black Mould zone." Another expert, Professor Pokrofsky, who gave evidence, regarded Professor Lenz's fears as exaggerated, and disputed his figures, but agreed with him in insisting upon the urgent necessity for promoting a more rational system of agriculture amongst the peasants.[1]

3. Methods of Famine Relief

The Russian peasant has a legal claim for assistance in case of a famine, and an organisation spread over all parts of Russia is supposed to ensure his receiving it. According to law each local community must have a public granary, in which grain is stored ready for distribution in time of famine. In case these stores should be insufficient to meet the

[1] *Russian Journal of Financial Statistics*, February 1901, pp. 289-90. Lehmann und Parvus, "Das hungernde Russland," pp. 167, 335-48. Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 340, 385-9. *Times*, November 1st, 1898; July 4th, 1902.

need, special funds must be maintained by the *zemstvo* (which answers roughly to our county council), and if these again are inadequate, the Central Government must supply the deficiency. This is the scheme on paper, but unfortunately the reality falls very far short of it. In order to carry out the first provision, the peasants have been compelled to build granaries and to bring part of their harvests to them; but the granaries are not kept in order, and in many cases the grain is wasted by falling through cracks in flooring and walls, and by exposure to the weather, or is eaten by mice. In other cases the village officials are said to rob the public granaries for their own benefit. Fresh supplies should be brought by the peasants each year, to exchange for an equal quantity of the old grain, but it is as difficult to enforce this as to collect the taxes, especially in years of bad harvest. The chief result is that in years of good harvests the peasants are deprived of part of their grain, but in famine years receive nothing in return. In 1891 an attempt at improving the system was made by setting aside a common field in each community, which was to be cultivated by the peasants, whilst its produce should go to the village granary. This, however, was again a failure. The peasants, on the one hand, bitterly resented being deprived of part of their scanty land, whilst on the other they were forced to labour on the common field when they wished to work on their own land, and after all the produce was seldom sufficient to fill the granary.

Wherever the Government gave the villages the choice between this system and the old one, the common field was soon abandoned, but in other districts it is still compulsory, and a constant source of complaint amongst the peasants. In times of famine therefore the villages look to the *zemstvo* for assistance. This body has a special "relief fund," but as money is constantly borrowed from it for other purposes, and it is supposed to be maintained by contributions

from the peasants, this remedy also is often found to exist only upon paper when the necessity for its application arises. The *zemstvo* in its turn applies for help to the Central Government, which is granted in the form of a loan, without interest, to the *zemstvo*, consisting partly in money and partly in grain. This assistance the *zemstvo* distributes in the form of a loan, but entirely in kind, not in money, to the village communal authorities, who distribute it among the peasants. This latter distribution does not take place according to the number of actual inhabitants, but only amongst those who own and cultivate land—amongst those, in short, who can be made responsible for the repayment. The poorer classes, who either possess no land or have had to let it to others to cultivate, are therefore entirely excluded. Other heads of families receive thirty pounds of grain a month for each individual, exclusive of children under three years of age, and adult males from eighteen to fifty-five years, who are counted as labourers. The public provision is therefore insufficient to support the family, even where it is granted. In addition to grain for food, grants are made of grain for seed and of forage, but both of these are also distributed in very inadequate quantities.

In April 1902 *The Official Gazette* published an account of the measures taken by the Minister of the Interior in connection with the famine during the previous year. In January a sum of 5,014,519 roubles was set aside for loans to peasants who were in want of food and seed grain, and in March an additional sum of 500,000 was devoted to the relief of the famine-stricken districts. A sum of 150,000 roubles was still remaining from a fund raised in 1898 to purchase cattle for the peasants suffering from famine, and this was also taken over and spent. *The Official Gazette* considered that these sums, added to those which were at the disposal of the local authorities and private charity, had been sufficient to cope with the distress,

and to provide corn for sowing in the following spring. In November 1902 M. de Plehve published a report on the famine of 1900-1, which had shown how large a proportion of the agricultural population were existing in a state only just above the starvation limit. He hinted at various measures of reform which were necessary, but the chief scheme which he described was the formation of large reserves of grain in the hands of the State, to be used in case of famines. The other reforms indicated were probably those contained in the Tsar's Manifesto of 1903, the most important point in which was the abolition of the collective responsibility of the peasants for taxes.[1]

The deficiency of the State assistance is to some extent made up by a semi-official organisation, the Red Cross Society. This Society is under the protection of the Tsarina, and possesses a widespread organisation in every government, the committees of management of the government, division, and district sitting under the presidency of the chief local authority in each case. Whilst the funds of the Red Cross Society consist entirely of voluntary contributions, its constitution and management are thus purely official, and the Society is spoken of amongst the people as the "Department for Charity." Its agents are all paid, but those actually engaged in distributing relief, who often consist of male and female medical students, priests, sisters of mercy, etc., receive very small stipends, and in many cases have to undertake an appalling amount of work in the famine villages. The relief dispensed by this Society is intended in the first instance for those who are not members of the village community, and therefore not entitled to the State assistance, secondly for children of school age, and thirdly for the sufferers from scurvy. The chief means adopted are the provision of dining-rooms and bake-

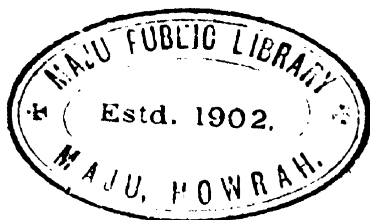
[1] Lehmann und Parvus, "Das hungernde Russland," pp. 298-415, 422-3. Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 338-91. *Globe*, November 10th, 1902.

houses, the distribution of medicines, erection of hospitals, and the organisation of relief works. An immense amount of money is spent in these ways, and much good done, but the means are still inadequate to cope with the total amount of destitution. The bread and other food is distributed free to those who are quite destitute, and sold at very low rates in other cases.

In addition to food and medicine for the people, the Red Cross Society has also undertaken since 1893 to provide fodder for the horses and cattle, and wood for fuel, both of which are sold to the peasants at very moderate prices, and eagerly bought so long as there is any money left. Although complaints are made as to the manner in which the relief is distributed in some districts, this seems only to apply to certain local committees and administrators, and is far from being always the case. As, however, the funds of the Society are too small to provide sufficient, or sufficiently nourishing, food for all who require it, or to deal with all those suffering from typhus or scurvy in times of famine, while its official character renders its modes of operation somewhat inelastic, there is in addition abundant scope for private and voluntary charity, and on the occasion of each severe famine efforts have been made on a scale eminently creditable to the benevolence of the Russian public. Unfortunately the promoters have in some cases been associated with political propaganda, and have therefore incurred the suspicion of the Government, so that in 1898 all the dining-rooms, bakeries, etc., were obliged to submit to Government control, although in 1891 and 1892 there was no such regulation. In November 1900 the Red Cross Society opened some scores of free-dinner kitchens over a vast area in the governments of Bessarabia and Kherson, on the understanding that the local government boards would come to the assistance of the famine-stricken districts at the end of March. In consequence of the unusually severe and

long winter, however, it was found necessary to continue the free dinners until the end of April, on a scale even larger than that originally intended, and the local committee was obliged to raise a loan for the purpose. At this time there did not appear to be any friction between the Government authorities and the Red Cross Society.[1]

[1] Lehmann und Parvus, "Das hungernde Russland," pp. 427-32. Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 391-9. *Times*, November 1st, 1898; March 25th, 1901.



CHAPTER III

INDUSTRY

1. Historical Sketch: (*a*) Origin of Industrial Development; (*b*) Proprietary Factories; (*c*) Nobles' Factories; (*d*) Capitalist Factories.—2. Present Industrial Position: (*a*) Modern Development; (*b*) Obstacles to Development.—3. Cotton Trade and other Textiles.—4. Mines and Metal Trades: (*a*) Coal; (*b*) Naphtha; (*c*) Iron; (*d*) Other Minerals; (*e*) Mechanical Engineering and other Metal Trades.—5. Other Industries: (*a*) Sugar; (*b*) Wood; (*c*) Leather, etc.; (*d*) Fisheries.—6. Recent Industrial Crisis. — 7. "Kustari," or Cottage Industries: (*a*) Peasant Industries; (*b*) Jews in Industry.—8. Conditions of Industrial Population: (*a*) Existence of an Industrial Class; (*b*) History of Labour Legislation; (*c*) Wages and Hours; (*d*) Housing.

1. Historical Sketch of Industrial Development

"Nothing could be less spontaneous than the development of our manufacturing industries," is the verdict of a modern Russian author, who goes on to show how the recent rise of the most important branches of industry has been in every case the result of the prohibitive tariffs imposed upon articles imported from abroad. In the same way a writer in the official report on Russia drawn up for the Russian section at the Paris Exhibition of 1900, attributes the present development of industry in the empire almost exclusively to the protectionist policy in which the Government has persevered during the last twenty years. It is at least certain that the first introduction of production on a large scale into Russia was due to the active policy of Peter the Great, and not to any natural growth. But whilst some Russian authors see in this "great industry" thus artifically fostered

an organism which is not only foreign to Russian institutions and characteristics, but destructive of Russian ideals and of the strength of the Russian nationality, there are others who regard it as the only means of building up the self-dependent and self-contained military power which it is their ambition for the empire to become.

Before the time of Peter the Great the only forms of industrial production were those carried on by the peasants, either in their own cottages, or in the workshops attached to the great houses of the nobles and on their country estates, or wandering in troops from village to village. In the majority of cases the cottage industry only occupied the peasants during the long winter months, whilst in summer their whole time was taken up with agricultural operations upon their own land and that of their lord. But in the northern districts, where the scanty agriculture did not require all the hands available, the bands of travelling artisans were away during the summer, or even went to the towns and settled there, earning money to pay the *obrok*, or pecuniary obligation demanded by the lord in place of their labour. Their produce was generally of the simplest kind, consisting of articles required by themselves and their neighbours, but some districts were already celebrated for the skill of the workers in leather, or gold and silver, or for the production of weapons or of *ikons*. Russian linen, sailcloth, and hempen ropes were exported to a considerable extent; and some articles of luxury, such as silk, were produced in the towns to meet the requirements of the nobles, chiefly, however, by foreign workmen imported for the purpose. By far the larger part of the articles required by the nobility and court, as well as by the army, had to be imported from abroad, and the Moscow merchants formed a very wealthy and active class.

When Peter the Great came to the throne, in 1689, he perceived that Russia could not maintain her independence without an army and a navy organised like



ULEABORG
ARCHANGEL
WASA
KUOPIO
ABO
ST MICHAEL
NYLAND
VIBORG
OLONETZ
VOLOGDA
PERM
ESTHONIA
LIVONIA
NOVGOROD
VIATKA
KOSTROMA
COURLAND
PSKOFF
TVER
KOVNO
VITEBSK
VLADIMIR
NIJNI NOVGOROD
SMOLENSK
VILNA
KALUGA
UFA
GRODNO
MINSK
MOHILEFF
PENZA
SAMARA
ORENBURG
VOLHYNIA
SARATOFF
VORONEJ
PROVINCE OF THE DON COSSACKS
BESSARABIA
KHERSON
EKATERINOSLAFF
ASTRAKHAN
TAURIDA
KUBAN TERRITORY
STAVROPOL
BLACK SEA DISTRICT
TEREK TERRITORY
BLACK SEA
CASPIAN SEA
KUTAIS
TIFLIS
KARS
ERIVAN
BAKU
BALTIC SEA
Vistula
Dniester
Pruth
Dnieper
Don
Volga
Ural
Dvina
Mezen
Petchora
Onega
Kama
Number of Persons to 1 Sq. Mile
0-25
25-50
50-75
75-100
100-130
above 130
RUSSIA
Showing
DENSITY OF POPULATION
Miles
0 100 200 300 400 500
NOTE
This map is based on information contained in "Industries of Russia" Vol. III. Chapter III.

those in Western Europe; but to form these two things were needed—money and the production within the country itself of military requirements. In order to supply these wants Peter undertook to establish numerous industries on a large scale in Russia, especially those for the production of articles needed by the army and navy, such as mines, foundries, arms and ammunition, and cloth, linen, and sailcloth factories. In some cases these works were founded by the State, and afterwards handed over to private management. In other cases the State advanced sums of money, without interest, to persons who were willing to start works of the kind, and supplied them also with machinery and workpeople. Skilled workers were brought from abroad to teach the natives, and an attempt was made to organise the workers in different industries in guilds, though without much success. Special privileges were granted to the factory owners and their families. They were freed from military and other service for the State, were subject only to special courts of justice, obtained temporary remission of all taxation, and had the right of importing duty free machinery and materials for their work. The sale of their produce was also generally secured, as all the productions of the arms, ammunition, cloth, sailcloth, and paper factories were bought by the State. The manufacturers of other articles not all required by the State, were protected by heavy duties, or in some cases by the prohibition of the import of similar articles from abroad.

Under these fostering conditions two classes of industrial work sprang up, the "proprietary" factories under State control, and the nobles' factories, both of which in later times gave place to factories worked on capitalist lines. The immediate success of these efforts was undoubted. At the accession of Peter the Great there were hardly any large industrial works in Russia, and at the close of his reign in 1725 there were 233 State or private factories, many of which

had attained fair proportions. In the State sailcloth factory at Moscow 1,162 workers were employed, and in the silk works of a private company about 1,500 male and female operatives. In 1765 there were 262 factories at work, employing altogether 37,862 hands, and producing an output amounting to the value of 5,000,000 roubles.[1]

The proprietary factories, as already stated, were built partly at the State expense, and then handed over to be worked by private individuals. These individuals were often rich Moscow merchants, but, in spite of the inducements offered in the way of special privileges, their number was so insufficient that foreigners had to be encouraged to take over the management of factories. Special rights and immunities, including the right of freely entering or leaving the country, were also readily granted as well as freedom for either exporting or importing goods without payment of duties. Special pains were taken to foster cloth factories, in order to provide clothing for the army; and in return for all their advantages the State only prescribed to the manufacturers the quality and quantity of cloth that they should produce, and the price at which it should be sold. The same regulations applied to the factories founded by individuals under State protection, and thus private manufacturers were hardly other than State officials.

Difficult as it was to find a sufficient number of master manufacturers, the difficulty of providing sufficient workpeople was even greater. Peasants from the State and Crown lands formed the first source of supply, of whom a certain number were generally allotted to each new factory and bound to it in perpetuity. The manufacturers were further allowed to purchase peasants from the estates of the nobles, a right which lasted until

[1] Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 3-19. Tugan-Baranoffsky, "Geschichte der russischen Fabrik," pp. 1-14. G. J. Rosenberg, "Zur Arbeiterschutzgesetzgebung in Russland," pp. 4-16. Kovalefsky, "Le Régime économique de la Russie," p. 169. "La Russie à la Fin du 19me Siècle," p. 288.

1816, and also to employ peasants who had run away from an estate, the landowner losing the right to reclaim them if they were engaged in a factory. In these cases the manufacturer was held responsible for the capitation tax on his workpeople, which they could not pay themselves, as they received merely nominal wages. As the demand for hands increased, other sources of supply were found. Beggars, criminals, the children of soldiers, children from the orphanages in Moscow, discharged soldiers, prisoners of war, and the wives of soldiers on service, were all sent to the factories, and bound to them, either in perpetuity or for a certain number of years, forming the class of "proprietary peasants" who belonged to the factories in the same way that the agricultural peasants belonged to the land. The manufacturers, however, were not given unrestricted rights over them. They might not employ them in other than factory work, were obliged to keep them in employment, and to maintain them at all times, while the State even made some attempt to regulate the hours and wages. The workpeople had the right of appealing to the State officials, if wronged by their employers, though any attempts to right themselves by means of strikes or organised opposition were at once suppressed by force and severely punished.

The work done under these conditions was, however, not only unskilled, but unwilling, and proved very unproductive, whilst, until the middle of the nineteenth century, no progress seems to have been made in technical methods of production. Russia was therefore falling behind Western Europe in manufactures even further than she had done in the days of purely domestic industries, for she had lost some of the markets for her exports, such as linen and sailcloth and iron, which she had formerly possessed.[1]

The factories owned by nobles were independent of the State in their origin, and rested upon the power which the nobles possessed to make use of the labour of

[1] Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 29-40.

the peasants upon their estates for any purpose. Even in the days of purely domestic industries, as we have seen, they often used this power to send the peasants to the towns to work at special trades, or employed them in the workshops attached to their own houses. When the advantages of manufacture on a large scale became apparent, the nobles began to erect factories like those founded by the State, and employed their own peasantry as workpeople, with such success that, after the middle of the eighteenth century, these became more numerous and larger than the proprietary factories. A cloth factory in particular could be found on every well-managed estate. At first the peasants worked in the factories only in winter, being occupied in agriculture during the summer, but as the need for more skilled work was felt, the factory hands were formed into a class distinct from the agricultural labourers, and worked in factories all the year round, being provided with board and lodging in large barracks often far away from where their land was situated. These workers received no wages, only maintenance, but though very cheap, they were unproductive workers, and could as a rule only be employed on simple and rough processes, such as the manufacture of the coarse cloth made for soldiers' uniforms.

The emancipation of the peasants in 1861 proved the ruin of most of the nobles' factories, since the freed workers hastened away from the work they hated back to their village life, and as a rule the nobles had neither inclination nor sufficient business capacity to carry on the industries on capitalistic lines. Only a few factories, which had special natural advantages, or in which improved technical methods had been introduced, survived, and most of these gradually passed out of the hands of the nobles into those of capitalists willing to buy them.[1]

The factories of the nobles had, however, had a somewhat unexpected result in reviving the domestic

[1] Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 19-29.

industries carried on by the peasants, for the work-people who were employed in the factories during the winter and returned to their own homes for the summer, took back with them the knowledge of the simple processes of manufacture which were alone used in the factories, and taught them to the members of the family who remained at home. Cottage workshops thus soon sprang up in the neighbourhood of the factories, as has been said, "like seedlings round a tree," and the landowner often found it convenient to give out part of the work to be done by the peasants in their own homes instead of forcing them into his factory. The very small prices asked by these peasants, who still considered their industry as only subsidiary to their agricultural labours, enabled them to compete successfully with the factories in many cases, especially in spinning and weaving cotton, until some peasants rose by degrees into the position of wealthy manufacturers and merchants. The landowner found it to his interest to encourage the enterprise of his serfs, since, as their gains increased, he was able to increase the *obrok* which he levied upon them, and in other ways acquire part of their wealth. Thus, when the daughter of a rich peasant married off the estate, she was required to pay a large sum to compensate the landowner, and the sons had to pay still more heavily if they wished to escape the compulsory military service to which their owner might send them. All through the first half of the nineteenth century, however, complaints were heard from time to time of the injurious effect upon the factories of the competition of the cottage industries.

With the emancipation of the peasants in 1861, a great change came. We have already seen that few of the nobles' factories survived the loss of the compulsory labour of the peasants, but those which did were often purchased by rich manufacturers who had risen from the ranks of peasants, and obtained full freedom. The "proprietary" factories also suffered for some time from

the scarcity of labour that followed the emancipation, but they had always employed some paid workpeople, and the more advanced amongst the manufacturers had realised for some time the advantage of voluntary wage-earning labour over compulsory labour, and had even petitioned for the removal of the laws which bound them and their workpeople together in perpetuity regardless of capacity as well as of inclination. The emancipation of the workpeople was therefore in many cases merely the removal of a hindrance to the development of the factory. At the same time the obligations to the State due from the owners of proprietary factories were removed, and the manufacturers left free to develop their work on modern capitalist lines. The technical improvements which were introduced soon enabled the factories to compete successfully with the cottage industries, and Russia began to take her place amongst the manufacturing nations of Europe.[1]

2. Present Industrial Position

Besides providing voluntary wage-earning labourers, the emancipation of the peasants gave a great impetus to industry, since, by supplying the nobles with ready money, it not only created at the outset a market for goods, but also afterwards increased the purchasing power of the artisan classes. The progress thus begun was carefully maintained by a series of protective tariffs, so that during the latter half of the nineteenth century the development of Russian industry went on at a rapid and constantly accelerating pace. The following table shows the advance made between 1887 and 1897, and the point reached in the latter year:—

[1] Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 24-9, 39-51. Kovalefsky, "Le Régime économique de la Russie," pp. 172-6. Tugan-Baranoffsky, "Geschichte der russischen Fabrik," pp. 96-119.

Groups of industries.	No. of factories or works.	Value of output in thousands of roubles.			No. of workpeople.	
	1897.	1887.	1897.	Percentage in 1897.	1887.	1897.
Textiles . . .	4,449	463,044	946,296	33·3	399,178	642,520
Food industries .	16,512	375,286	648,116	22·8	205,223	255,357
Mines and minerals	3,412	156,012	393,749	13·9	390,915	544,333
Metal industries .	2,412	112,618	310,626	10·9	103,300	214,311
Animal products .	4,238	79,495	132,058	4·7	38,876	64,418
Wood industries .	2,357	25,688	102,897	3·6	30,703	86,273
Pottery and glass .	3,413	28,965	82,590	2·9	67,346	143,291
Chemical industries	769	21,509	59,555	2·1	21,134	35,320
Paper manufactures	532	21,030	45,490	1·6	19,491	46,190
Other industries .	935	50,852	117,767	4·2	41,882	66,249
Total . .	39,029	1,334,499	2,839,144	100·0	1,318,048	2,098,262

It will be noticed that the first four groups alone constitute 80 per cent. of the total industrial production of the country, and that of these the textiles are considerably the most important. It is the ambition of some Russian statesmen that the country should become entirely self-sufficing so far as all the necessaries of life are concerned, and the extraordinary richness and variety of the natural products give some grounds for thinking that the hope may be realised. Thus in the group of textile fabrics, both cotton and silk are produced in rapidly increasing quantities in the southern Asiatic provinces of the empire, whilst the northern half of European Russia has always been celebrated for its flax and hemp. The mineral products are especially varied, including considerable quantities of the precious metals, platinum, and mercury, as well as the commoner and more necessary kinds; large beds of coal, still very little developed, and (what is at present even more valuable to Russian industry) a very large supply of mineral oil. The forest zone still yields an apparently inexhaustible supply of wood for fuel and for paper and celluloid articles, as well as for the

older industries in wood for which Russia has always been celebrated. Animal life is represented no less abundantly than vegetation, and the preparation of leather and the woollen trade are old Russian industries which still flourish.[1]

Yet in spite of the natural and artificial advantages which industry in Russia has enjoyed, three powerful factors have hitherto combined to hinder its successful development. These have been the defective means of transport and communication, the ignorance and often degraded and debilitated condition of the labourers, and the small purchasing power of the bulk of the nation.

The Government has done a great deal recently to develop railways in Russia, but there are still vast tracts of country dependent upon communication by water, which is impeded by frost for several months in the year, or by peasant carts and sleighs of primitive construction over roads which during the autumn rains and the spring thaws are rendered impassable by mud. One consequence of this has been to oblige "every manufacturer to carry on, not only various successive stages of manufacture, but numerous subsidiary works. Each important factory consists of a large group of buildings, surrounded by the barracks or huts in which the workpeople live, and the church, school, and hospital, for their benefit, a large industrial village in fact of 10,000 or 12,000 inhabitants, entirely in the hands of one owner, and enveloped by the forest or steppes." This description applies chiefly to the older factories, which were placed in the midst of the forests, in order to obtain a constant supply of wood for fuel. The use of coal or naphtha residues for fuel has brought the more recent factories together in the towns.

In the chapter on "Agriculture" we saw how the ignorance of the peasants and their extreme poverty kept them from adopting new and improved methods of agriculture. The same defects characterise the Russian factory hands, who are found to be incapable

[1] "La Russie à la Fin du 19me Siècle," pp. 287-306.

of managing complicated machinery without an immense amount of supervision, while their low standard of life deprives them of all ambition to improve their condition. In spite of the low rates of wages and the long hours of work, Russian labour is therefore dearly bought, and the Polish workmen, who require far higher wages, are found to be really less expensive. An improvement in this respect is already to be seen amongst the younger Russian workers, who have grown up from childhood in the factories, especially if, as is sometimes the case, they have received a good education in the factory school.

Finally, the purchasing power of the population is strictly limited by the dependence of the great bulk of the people upon agriculture, and fluctuates with the prosperity of the latter. It is obvious therefore that the industrial development of the country cannot be successful unless it goes hand in hand with the development of agriculture, and with the improvement of the conditions of the people.[1]

3. Cotton Trade and other Textiles

The chief seat of the textile industries is in Moscow and the neighbouring provinces that lie near the junction of the Black Mould and forest zones. Before the advent of the railways, which now radiate from Moscow as their centre, the Oka and Volga rivers formed important waterways to connect this district with the east and south, while the forest zone which bounded it on the north furnished both fuel and labourers for the factories, and the neighbourhood of Nijni-Novgorod and its great annual fair provided an important and convenient market. This district was one of the chief seats of the linen manufacture, but when once the manufacture of cotton had taken root in the country it rapidly grew until it became by far

[1] "Labour Commission Foreign Reports, Russia," pp. 9-10. Schulze-Gävernitz "Volks. Studien aus Russland," pp. 42-51.

the most important textile. Cotton goods are well suited to the Russian peasants by their cheapness, and by the bright colours with which they can be dyed. Owing to the heated atmosphere of the huts the people can wear cotton garments indoors, even through the winter. The prohibitive duty placed upon imported cotton goods in 1822 first gave rise to this manufacture within the country, and the following figures show the constant growth of the importation of raw cotton and cotton yarn between that date and 1850, with the amounts of the same imports in the period 1889-91.

Average Yearly Importation.

	Raw cotton.		Cotton yarn.	
	Poods.	Tons.	Poods.	Tons.
1824-26 .	74,268	885	337,101	5,417
1836-38 .	282,799	4,558	626,713	10,072
1842-44 .	524,511	8,429	592,193	9,517
1848-50 .	1,329,031	21,359	281,520	4,524
1889-91 .	7,305,333	117,407	214,666	3,449

The industry began in the factories, but soon found its way into the cottages and domestic workshops, and succeeded so well that the latter became formidable rivals to the factories. Indeed, between 1836 and 1857 the number of factory hands employed in manufacturing cotton actually decreased by one-fifth. The total amount of production, however, constantly increased, and after the emancipation of the peasants, the factories speedily recovered their lost ground and out-distanced their competitors.

The earliest form of the cotton industry in Russia was weaving only, the yarn being imported originally from the East and afterwards from England. The branch which first assumed a modern form was, however, that of dyeing and printing. The importation of Eastern fabrics with their brilliant colouring, for which the Volga formed a high road to the very centre

of Russia, had exercised a powerful influence over the native taste, even before the introduction of cotton weaving, and the linen cloth was painted with gay but fugitive colours. Better methods were gradually introduced and important dye-works grew up at Ivanovo, in the province of Vladimir, at first in the form of cottage workshops, where cotton-printing was carried on with hand labour and the simplest appliances. In 1830 the principal factories at Ivanovo, which were already of considerable size, introduced machine roller printing, worked at the outset by horse-power, and later by steam ; and in this way modern manufacturing methods were first applied in printing cotton fabrics, which had been woven in cottage workshops from imported yarn. It was several years later and very gradually that machinery was applied to weaving, and in 1860 there were only three weaving factories in Vladimir employing mechanical power.

The introduction of cotton-spinning on a large scale was later still, and was almost entirely due to the energy of one man. Ludwig Knoop, a young German, entered the service of an English firm of cotton-spinners who traded with Russia, and after spending a year in Manchester, where he acquired a thorough knowledge of cotton-spinning, was sent to the agency of the firm in Moscow in 1839. He there turned his attention from importing cotton yarn to importing English machinery for cotton-spinning, with such success that one after another of the Russian cotton merchants became manufacturers. At the close of his life in 1894, Knoop could look back upon one hundred and twenty-two spinning-mills founded through his instrumentality.

The above table shows the continued decrease in the importation of cotton yarn between 1842 and 1891, which accompanied the much greater increase in the importation of raw cotton. There has also been a great increase in the amount of cotton grown within the Russian Empire, this being chiefly due to the raising of the tariff against raw cotton. According to the latest

figures available, Russian manufacturers employed 260,000 tons of raw cotton in 1899, whilst in 1900 104,266 tons of the cotton consumed were supplied by the Russian provinces of Central Asia and Trans-Caucasia. The Asiatic cotton is as a rule coarse, and is used in the manufacture of the cheaper fabrics, American cotton for the medium qualities, and Egyptian for the finest thread. It is calculated that about 6,500,000 spindles and 200,000 looms are now working in the Russian cotton mills, several factories containing from 100,000 to 200,000 spindles, and one as many as 450,000.

The government of Moscow is still the chief seat of the cotton manufacture, and a great variety of fabrics are produced, new machinery being constantly introduced. There are factories for ribbons, lace, embroideries, and other fancy materials, as well as for the heavier varieties of cotton goods, such as fustian, velveteen, flannelettes, etc. The government of Vladimir, which is the second great seat of the manufacture, is still celebrated for dyeing and cotton-printing, and the newest methods are in use. The production of cotton manufactures within Russia now nearly entirely satisfies the internal demand, the importation consisting almost exclusively of the finest qualities of thread, and of novelties. The exportation of Russian fabrics and thread to the East has also increased considerably of late, in spite of the vigorous competition of other nations in those markets.[1]

The woollen trade was particularly encouraged by Peter the Great with a view of providing clothing for the army, but it was not until 1822 that the whole amount of cloth required by the State was produced within its borders. From that time onward Russian manufacturers have continued to supply all the cloth required for the army, which has been their principal customer. The production of woollen goods rapidly

[1] "La Russie à la Fin du 19me Siècle," pp. 298, 299, 343-9. M. Kovalefsky, "Le Régime économique de la Russie," pp. 172-5. Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 53-106, 576.

increased until 1880, when there was a falling off for a time, but it revived later, and between 1887 and 1897 increased by 80 per cent. At the present time the woollen industry employs 700,000 spindles, 45,000 looms, and 150,000 workpeople. The annual value of the production is about 160,000,000 roubles, but it is not yet quite sufficient to supply the demand within Russia.

The methods of production have reached a very high point in several directions, especially in that of fine cloths and of napless fabrics. Until recently combed yarn had to be almost entirely imported from abroad, but is now largely spun in Russia, more than 40,000 spindles being employed in its production. Merino wool is used for the best and medium qualities of fabrics, and of this about 50,000 tons are produced annually in Russia and 16,000 tons imported from abroad. The finest qualities of wool are not yet grown in Russia. For coarser materials ordinary sheep's wool or camel's hair is employed. The Minister of War is an annual purchaser of more than 1,500,000 yards of cloth of a coarse quality, and the requirements which he makes have been a constant stimulus to the manufacturers to introduce improved means of production. These have been particularly successful in methods and materials for dyeing. The government of Moscow and Poland are the chief seats of the manufacture of light woollen goods. Heavier goods are also manufactured in the neighbourhood of Moscow, and the governments of Moscow and Grodno and some important factories in St. Petersburg are celebrated for the variety and value of the felt articles produced. Carpet-making has not yet made much progress in Russia, but some cheap qualities are produced.[1]

The manufacture of linen and that of hempen fabrics are amongst the oldest forms of industry in Russia, where they have a natural location owing to the extensive cultivation of flax and hemp in the country. Russian

[1] "La Russie à la Fin du 19me Siècle," pp. 299, 350-55.

sailcloth, linen, and ropes, were exported from an early date, but the fabrics were of a coarse kind only, and finer linen was brought from abroad. Peter the Great undertook the improvement of linen manufactures in the country, and prohibited the importation of foreign linen, and the first linen factories were established in the provinces of Moscow and Yaroslaff. Although the number of mills increased rapidly, the quality of the fabrics did not improve equally, and towards the middle of the nineteenth century the Russian linen trade suffered severely from the competition of British linen manufacturers abroad and of the cotton trade at home. The Government endeavoured to revive the trade by the establishment of agricultural schools to teach better methods of cultivating and dressing flax, and by introducing improved machinery, and it received a fresh stimulus from the crisis in the cotton trade soon after 1860.

At the present time the annual harvest of flax fibre in Russia is about 456,500 tons, of which about half is exported, and about 150,000 tons used by the peasants for their own requirements, leaving the remainder to be employed in the factories. There are two different classes of flax fibre: "steeped" flax, which is prepared by soaking in water, the fibre being stronger, longer, and more uniform, and "spread" flax, which is moistened only by the dew, and is much softer, and contains a larger proportion of oil. The "steeped" flax is nearly all exported, whilst the "spread" flax is chiefly worked in Russia. The processes of manufacture have recently so much improved that the finest linen fabrics and thread only are now imported. There are about 300,000 spindles and 15,000 looms engaged in linen spinning and weaving, and employing some 50,000 workpeople. The average annual harvest of hemp fibre in Russia between 1896 and 1900 amounted to 217,000 tons, of which 50,000 tons are used for rope-making and hemp-spinning within the country. The exports of rope and twine

are no longer of importance, but the works are distinguished from other factories by being entirely conducted by Russian workpeople. To a great extent hemp has been superseded by jute, and this industry has recently made considerable progress in Russia, although the raw material must be imported. The manufacture of silk was of ancient origin in Russia, but owing to its expensive character, remained for long on a small scale, and was entirely confined to the government of Moscow. Since 1875 foreign capitalists and workpeople have entered the industry, and new mills with the most improved machinery have been erected. Efforts are being made to improve and extend the cultivation of silk, carried on in South Russia and the Caucasus, and so to decrease the cost of the raw material, but at present Russian-grown silk is very inferior to that imported from Italy and France.[1]

4. Mines and Metal Trades

Russia possesses rich beds of coal in several districts, but, although some of these were well known in the eighteenth century, very little use was made of them until within the last fifty years. In 1855 the annual output of Russian coal was only 156,000 tons; in 1870 it had risen to 797,000 tons; in 1885 to 4,272,000 tons; in 1898 to 12,350,000 tons; and in 1901 to 16,606,000 tons. The chief coal-producing centre is the Donetz Basin in the south, which extends over part of the government of Ekaterinoslaff and part of the province of the Don Cossacks, and is one of the richest coal basins in the world, with practically inexhaustible resources. This was formerly worked by numerous small companies or by owners scattered all over the basin; but recently an immense amount of foreign capital, chiefly Belgian, has been poured into the

[1] "La Russie à la Fin du 19me Siècle," pp. 355-64. "The Industries of Russia: Manufactures and Trade," pp. 23-6. "Russia: its Industries and Trade," pp. 176-81.

district, and over 80 per cent. of the output now comes from fifteen large mines worked with foreign capital and at great pressure. A great variety of coal is found within the basin, including that from which the coke required in blast furnaces is obtained, a matter of great importance to the iron industry. Almost all the south-eastern portion of the basin consists of anthracite, but this is at present little worked on account of the difficulty of employing this combustible in metal working. On the whole, however, the coal of the Donetz Basin is not of first-rate quality, and does not as yet find any extensive market abroad or in the west of Russia.

The Dombrovski Basin in Poland is the second in importance, but the coal is of inferior quality and furnishes practically no coke. The output has, however, increased very largely during the last few years, and is distributed all over Poland and to some extent in Russia. The Ural mines are very rich in the quantity of coal they contain, but the quality is very moderate, and they have been but little worked. This coal is almost useless for foundry work, but can be used for locomotives, and at present about three-quarters of the output are consumed by the local railways. Smaller coal basins are found in Central Russia and other districts, but none is of great importance for either the quantity or the quality of the coal produced. The yield of Russian coal for the year 1901 in the different districts is given approximately as follows :—

Coal Basin.	Poods.	Tons.
South Russian or Donetz .	694,420,000	11,160,321
Polish or Dombrovski . .	252,567,000	4,059,112
Ural	29,742,000	477,998
Moscow Basin . . .	16,007,000	257,210
Caucasus	3,342,000	53,710
Total	996,078,000	16,008,351

This output is not sufficient to meet the demand within the country, and the importation of foreign coal and coke has increased concurrently with the Russian output, in spite of the duties imposed upon it. In 1877 the import amounted to 1,582,258 tons, and in 1898 to 3,161,290 tons, whilst the total for 1900 was 4,418,774 tons. During this and the preceding year Russian industry was, however, suffering severely from a deficiency of coal and consequent abnormal rise in prices. This was in part due to the development of industrial activity and the extension of railways and navigation, and partly to an increase in the price of naphtha and kindred fuels preceding the rise in the price of coal, combined with an increasing scarcity of wood, caused by the destruction of the forests in some districts. Coal still plays a comparatively insignificant part as a fuel compared with wood. It is estimated that of the total consumption of fuel in the country, 90 per cent. is wood, 7·3 per cent. coal, 2·5 per cent. naphtha, and ·2 per cent. peat. But in industrial processes the consumption of coal and naphtha now almost equals that of wood, and mineral fuels are increasingly in demand. The total annual consumption of fuel is calculated as follows:—

	Tons.
Wood fuel for household use	153,225,806
,, ,, ,, industries	20,967,742
Mineral fuels for household use . . .	3,225,806
,, ,, ,, industries	19,354,838
Total	196,774,192

Another reason given for the recent "coal crisis" has been the activity of syndicates and rings, which have limited production and raised prices, and the universal speculation and gambling which have attended coal and other industries. Temporary measures were taken by

the Government early in 1900 to deal with the scarcity of coal, including a reduction in the duties upon imported coal at Odessa and other ports of the Black Sea and Sea of Azoff and free importation into Warsaw, where the retail dealers were also placed under police supervision and obliged to restrict their prices. A Government Commission has been sitting for some time at St. Petersburg to inquire into the whole question of the coal supply and demand.[1]

The naphtha industry affords perhaps the most remarkable instance in Russia of the rapid rise of a new trade to a position of world-wide importance. The existence of this substance was known from the earliest times in the extreme north and south of Russia, at Archangel and at Baku, the latter place being the site of an ancient temple of the Indian fire-worshippers. Later the natives of the Caucasus collected the oil and even dug wells, using it to burn in their clay lamps, and as a lubricant for the axles of their heavy wooden carts.

It was not until 1823 that the first experiments were made in Russia for distilling an illuminating oil from the raw material. No practical results followed until about 1860, when distilling works were erected simultaneously by two private capitalists at the two extremities of the Caucasus, at Baku on the Caspian Sea and on the river Kouban, which flows into the Black Sea. The latter district has not proved very suitable for the industry. Out of ninety-four wells sunk, thirty-nine are still in use, but they give only a small quantity of naphtha. In the neighbourhood of Baku, on the other hand, the first wells and distilling works proved so successful that numbers of competitors were quickly called into the field, and the production of naphtha has constantly increased. The springs at Baku are in fact so abundant that it has

[1] "Foreign Office Reports," Miscellaneous Series, No. 523, "Coal Crisis in Russia." "Foreign Office Reports," Miscellaneous Series, No. 555, "Mineral and Metallurgical Industries of Russia," pp. 18-20. "La Russie à la Fin du 19^{me} Siècle," pp. 325-9. *Board of Trade Journal*, July 3rd, 1902.

not been worth while at present to attempt to work any of the other deposits of naphtha in various parts of Russia. Between 1887 and 1897 the annual value of naphtha products rose from 18,317,000 roubles to 45,735,000 roubles, and from 1894 to 1901 the amount of naphtha annually produced has been as follows:—

Year.	Quantity.
	Tons.
1894	5,082,000
1895	6,948,000
1896	6,997,000
1897	7,711,000
1898	8,210,000
1899	8,827,000
1900	9,697,000
1901	10,376,000

Whilst about the year 1876 Russia imported from America from 50,000 to 60,000 tons of naphtha products, in 1898 about 900,000 tons of kerosene, paraffin, and other illuminating oils alone were exported from Batum, and the home market supplied as well. Improvements in the methods of distilling the oil have so kept pace with the increase of production that all parts of the raw material are eventually used. The production of lubricating oils is almost as important as that of illuminating oil, and the mineral oils are rapidly superseding animal and vegetable oils as lubricants throughout Russia, and are also exported. Gasoline and benzine are amongst the lighter volatile products of the distillation of naphtha, whilst vaseline is obtained from the heavier residue. Finally a residue remains which forms a valuable and convenient fuel, of considerably greater heat-producing power than the best coal, and capable of total combustion without either smoke or ashes. It is applicable to any kind of heating, for domestic purposes, steamers, locomotives, and other engines, and for metallurgical furnaces. Naphtha fuel is now used on all the steamers navi-

gating the Caspian Sea and the lower and middle reaches of the Volga and Kama, and on the railways in connection with these waterways, especially the Trans-Caucasian and Trans-Caspian railways.

During recent years the price of naphtha products has risen greatly, owing partly to a natural growth of demand, and partly to an artificial inflation of prices. The rise was followed in 1900 by a rapid fall, and a panic arose amongst those who were speculating in the industry, resulting in the fall of shares and a temporary reduction in the previously high dividends of the companies concerned in the trade. The crisis seems, however, to have been only a natural reaction against the abnormal and artificially stimulated prices of the previous years, and the industry generally is undoubtedly prosperous. The home consumption remains more or less stationary, whilst the export of petroleum increases year by year, as appears in the following table :—[1]

Exports.	1899.		1900.		1901.	
	Poods.	Tons.	Poods.	Tons.	Poods.	Tons.
Illuminants .	69,500,000	1,112,000	71,200,000	1,136,000	80,100,000	1,280,000
Lubricants .	10,100,000	160,000	10,700,000	168,000	10,100,000	160,000
Naphtha products and waste .	4,200,000	64,000	4,800,000	72,000	3,300,000	48,000
Total .	83,800,000	1,336,000	86,700,000	1,376,000	93,400,000	1,488,000

Iron mining and smelting and working in iron are amongst the oldest Russian industries, and on account of their importance to the army and navy were amongst the trades especially protected and promoted by Peter the Great. The neighbourhood of Tula was originally the chief seat of the iron industry, but in 1701

[1] "Foreign Office Reports," Miscellaneous Series, No. 555, pp. 20-21. "La Russie à la Fin du 19me Siècle," pp. 297-8, 339-42. "Industries of Russia : Manufactures and Trade, pp. 248-68. "Statesman's Year-book," 1903, pp. 1030-37.

furnaces were erected in the Ural district, which thenceforward became and remained until quite recent times the great centre of the trade. At present there are two principal regions engaged in the iron industry, of which the Ural is one, producing nearly a third of the total yield, whilst the southern district, chiefly situated in the government of Ekaterinoslaff, though of quite modern origin, produces more than half of the total yield.

Russia now occupies the fourth place amongst the countries of the world for the production of pig-iron, those that surpass her being the United States, the United Kingdom, and Germany, whilst France is very slightly below her. Until the year 1898 the production of Russia was below that of France, the extraordinarily rapid development of the southern district having more than doubled the total yield in Russia between 1891, when it amounted to 1,004,800 tons, and 1900, when it was 2,860,600 tons. Great as the increase in the native production was during these years, it did not keep pace with the growing demand within the country, and the imports of pig-iron increased at the same time, as appears in the following table:—

Year.	Production of pig-iron in Russia.		Exports of iron from Russia.		Imports of iron into Russia.	
	Poods.	Tons.	Poods.	Tons.	Poods.	Tons.
1824 .	8,525,000	136,000	1,807,000	30,000	153,000	2,000
1850 .	13,892,000	224,000	1,137,000	18,000	396,000	6,000
1870 .	21,932,000	352,000	770,000	12,000	34,000,000	544,000
1890 .	56,560,000	904,000	626,000	10,000	26,358,000	422,000
1897 .	113,982,000	1,824,000	1,730,000	28,000	52,870,000	848,000

The consumption of iron in Russia is, however, still very small for its population as compared with the other great iron-producing countries. In 1897 it amounted to 1·3 poods (46 lb.) per head, as compared with 8·4 poods (302 lb.) per head in the United States, 6·6 (237 lb.) and 6·5 (234 lb.) in England and Germany respectively, and 3·9 (140 lb.) in France. The relative

progress in the production of the different regions in the Russian Empire appears in the following table :—

PRODUCTION OF PIG-IRON.

	1886.		1896.	
	Poods.	Tons.	Poods.	Tons.
Siberia	226,000	4,000	539,000	9,000
Finland	906,000	15,000	1,271,000	19,000
Central Russia . . .	3,992,000	64,000	8,226,000	130,000
Poland and N.-W. Provinces.	2,832,000	46,000	13,419,000	214,000
Ural	21,258,000	338,000	35,457,000	566,000
South and S.-W. Districts .	3,078,000	48,000	39,169,000	624,000
Total	32,484,000	515,000	98,414,000	1,562,000

During the year 1901 the production of pig-iron in European Russia alone, exclusive of Finland, was as follows :—

	1901.	
	Poods.	Tons.
North Russia	1,147,200	18,526
Ural	49,016,200	787,760
Central Russia	10,904,900	175,257
South Russia	91,964,900	1,479,793
South-West Russia	14,200	228
Poland	19,589,200	341,612
North-West Russia	53,800	864
Total	172,690,400	2,804,040

The two great centres of the Ural district and South Russia have no communication with one another, and differ in almost every particular, both in history and methods. The iron industry in the Ural district is of ancient origin and is still conducted with primitive methods. Without railways or furnace coal, it depends upon the surrounding forests for fuel, and upon the peasants of the neighbourhood for workers, whilst the rivers during the summer and sleigh roads during the winter are its only means of transport. The works for

the most part are in the hands of Russians and depend on Russian capital.

The southern district, on the other hand, owes its prosperity almost entirely to foreign capital and enterprise, supported by Government orders. The methods of work are modern, the workmen often foreign. The fuel is coal or naphtha, and there is ample railway communication. The works are often of an immense size, the largest being the celebrated Hughsovsky works, which were founded about 30 years ago by an Englishman named John Hughes, in the government of Ekaterinoslaff. It is inevitable that the two districts should have become the theme of constant comparisons and disputes between the two main schools of economic thought in Russia, the one believing that the welfare of the country will be best maintained by adhering to its national characteristics and customs, the other urging the introduction of Western European methods and the capitalist system. The Ural district certainly suffers from some disadvantages. The traditions of serf labour still cling there, with the result that the labour employed is very unskilled and unproductive. It is calculated that 142,000 labourers are required in the Ural to produce the same output that about 24,000 labourers produce in South Russia, or about 11,000 in Belgium. The works are also of old-fashioned construction and, owing to the fact that they were originally worked by water power, often lie in the river valleys at a considerable distance from the iron mines. These reasons combine to make the cost of production greater in the Ural than in South Russia, added to which there is the great difficulty of transport. The latter will, however, probably be soon overcome, if one or more of the numerous projects for railway communication are carried out. The absence of any coal on the spot suitable for blast furnaces is a more serious drawback, as furnaces heated by wood cannot be built of a very large size, nor produce a large output. The works are consequently all of small or moderate size, and there are none of the gigantic establishments

to be found in South Russia. On the other hand, the richest beds and the best quality of iron are found in the Ural district, and the real problem seems to be to bring the iron ore from the Ural into connection with the coal from the Donetz Basin or the naphtha fuel of Baku. This might be accomplished by the construction of the proposed canal between the Volga and the Don.

Meantime the Nationalists find their belief in the superiority of the Ural methods of work partly justified by the fact that the southern district has for the last four years (1899-1903) been suffering from the natural reaction from a forced and over-abundant production, resulting in a general stagnation and severe depression of trade, which has affected the Ural district in a far less degree. The years 1895 and 1896 in particular were marked in South Russia by a feverish industrial energy, which "gave rise to a whole series of mineral and metallurgical, waggon constructing, and other works, founded on no assured basis and on no corresponding demand of the general market, but solely on the profits accruing from Government orders, accompanied by speculative considerations, Bourse manœuvres, and share manipulations, based on an unfounded reliance on an indefinite continuation of this liberal Government support." For a time the rise and extension of railway construction over vast regions created a great demand for all kinds of iron goods and opened up new markets. Prices remained so high that shares rapidly rose, and large numbers of new companies were founded. From 1899, however, a change set in. The Government gradually reduced its orders, and was no longer able or willing to pay the high prices demanded. The scarcity and dearness of fuel, both coal and naphtha, pressed hardly upon the mineral and metallurgical works; the prices of their products fell as rapidly as they had risen, and a large number of the recently formed companies were obliged to close their works. "Securities and values of all sorts continued their downward course. All the usual Bourse manœuvring of shares could but

stave off for a time the inevitable end. Universal stagnation and distrust followed, nor is there any limit at present (June 1901) to this disastrous trend of affairs, nor is there any reasonable remedy at hand. Even petroleum shares were dragged down. The only values not affected were railways, some of which had even risen by the end of 1900, and land banks."

Gloomy as this picture is, there can be little doubt that the iron industry in Russia will eventually become prosperous again, when it is considered how inevitably the demand for iron goods must increase within the country with the progress of other industries.[1]

The other minerals, some very rare, as well as the precious metals found within the Russian Empire, are very numerous. Gold has been worked in Russia for many years, and placer gold is known to have been obtained in some districts since 1745. There are also gold mines in the Ural district. The Russian Empire now stands fourth amongst the gold-producing countries, the amount produced in different countries during the year 1898 being as follows:—

	Kilogrammes.	Cwt.
Transvaal	117,470	2,349
United States	97,933	1,958
Australia	93,732	1,874
Russian Empire	38,800	776
Canada	20,614	412
Mexico	12,394	247
India	11,685	233

In 1900, throughout the whole of Russia the production of gold was 83,988 lb., whilst during the previous ten years the annual yield had varied between 81,771 lb. and 98,606 lb. About 70 per cent. of the Russian total comes from Eastern Siberia, and nearly 5 per cent. from Western Siberia, whilst nearly 25 per

[1] Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 282-307. "La Russie à la Fin du 19me Siècle," pp. 302-4, 309-16. "Foreign Office Reports," Miscellaneous Series, No. 555, "Mineral and Metallurgical Industries of Russia." "Statesman's Year-book, 1903," p. 1031. "Russia: its Industries and Trade," p. 270.

cent. is found in the Ural district. Of the small remainder the greater part is found in Finland, and the rest is produced from hundreds of small workings scattered about over European Russia, of which the annual production hardly amounts to more than a few ounces each. All gold, whether placer or lode, had before 1902 to be delivered over to the State, at one of the three laboratories established at Irkutsk, Tomsk, and Ekaterinburg respectively, for the purpose of testing and refining. From these it was forwarded to the mint at St. Petersburg whenever sufficient stocks had been collected. Since 1902 free circulation of gold has been permitted. Silver is found in small quantities in many parts of European and Asiatic Russia, but is not mined to any great extent, and the annual production is decreasing. In 1892 the production of silver in Russia was 11,184 kilogrammes (223 cwt.), and in 1898 only 5,943 kilogrammes (118 cwt.), whilst 812,600 kilogrammes (16,252 cwt.) were imported from abroad. Lead is usually found associated with silver, but its production has diminished during recent years, and does not satisfy one-hundredth part of the demand within the country for this metal. In 1901 the lead produced in Russia was 323 tons. In 1892 it had been 874 tons.

Platinum was discovered in the Ural in 1819, and 96 per cent. of the world's supply is still produced there. It has hitherto been found only in very small quantities in alluvial form, and the output remains almost stationary, varying from 4,573 kilogrammes (91 cwt.) in 1892 to 6,223 kilogrammes (124 cwt.) in 1901, whilst prices continue to be high. Russia possesses numerous deposits of copper, the richest of which are found in the Urals and the Caucasus. The total annual output of this metal amounts on an average to 6,000 tons, and does not vary greatly year by year. In 1900 and 1901 the annual output was 8,000 tons. When hardly any machinery was made in Russia the demand for copper was so small that nearly half of the native copper was exported, but the demand within the

country has grown rapidly during recent years, and now the imports equal the small exports of this metal. Mercury has formed an export for a long period. Amongst other minerals found within the empire in greater or smaller quantities are zinc, tin, nickel, manganese, antimony, salt, etc.[1]

In 1790, private engineering works were founded at St. Petersburg, for the production, amongst other machinery, of steam engines. After 1813 steamboats also were built. About the end of the eighteenth century Crown foundries were set up near St. Petersburg, and developed later into the great engineering establishments at Cronstadt and Izhora, which still supply the various needs of the Russian army and navy. For many years, however, the progress of mechanical engineering was very slow, and until quite recently all complicated machinery was imported from abroad, and the Russian works were only entrusted with the repairs. In 1866 the Government took the important step of ordering that the railway plant should be of Russian manufacture, and in 1869 for the first time an import duty was imposed upon foreign machinery. The progress made since that time appears in the following table:—

Year.	Number of mechanical engineering works.	Number of hands.	Value of output.
			Roubles.
1856 .	29	3,000	2,000,000
1861 .	106	12,400	7,000,000
1865 .	126	18,000	12,000,000
1870 .	198	30,000	29,000,000
1875 .	333	41,000	41,000,000
1885 .	336	42,772	41,000,000
1890 .	412	49,000	52,500,000
1892 .	569	50,000	53,500,000
1896 .	680	93,860	136,000,000
1897 .	682	120,339	142,000,000

[1] "La Russie à la Fin du 19^{me} Siècle," pp. 316-25. *The Russian Journal of Financial Statistics*, January 1900, pp. 17-21. "Foreign Office Reports," Miscellaneous Series, No. 555. "Statesman's Year-book, 1903, p. 1030.

The most important of these works are situated near Moscow and St. Petersburg, but others are scattered over the country at all the principal industrial centres. Since 1880 boiler-making has made special progress in Russia, with the result that very few foreign boilers are now imported, while the construction of steam engines is also making rapid progress. As a rule these are of moderate size, employing from 500 to 600 horse-power, but some Russian works make them of as much as 1600 horse-power. Motor engines are also manufactured, especially for gas and petroleum, and are largely used for agricultural operations and domestic industries.

The railways alone give extensive employment to the mechanical engineering works, and recently vigorous attempts have been made to construct the machinery required in textile factories. The manufacture of weaving looms is already established, and a considerable proportion of the machines in use now come from Russian works, whereas, before 1881, all those employed in the cotton trade were imported from England. The construction of spinning machines is more difficult, but at the exhibition at Nijni-Novgorod in 1896 Russian firms exhibited excellent examples of carding machines, self-actors, and other machines suited for cotton, flax, and textiles generally. The machinery employed in flour milling and sugar manufacturing, and distilling is nearly all of native construction, as well as an increasing proportion of agricultural machinery. Almost the only kind of machinery at present exported from Russia is that used in cigarette making. The manufacture of arms and ammunition for the army and navy is carried on entirely in the Government workshops, and private factories produce only a small output. Cutlery is made principally in the governments of Nijni-Novgorod and Vladimir, and is usually a village industry carried on in cottage workshops. The same is true of other minor metal trades, such as nail, chain, and lock making. Bellfounding is a very ancient Russian art, and is

still carried on in the governments of Moscow, Novgorod, Penza, and Poltava. But it no longer possesses the great importance that it once had.[1]

5. Other Industries

Sugar refining has been carried on in Russia since 1719, when the first refinery was established in St. Petersburg, and the preparation of beet sugar was introduced into Russia at the beginning of the nineteenth century, the first manufactory being founded in 1802 with Government support in the shape of a considerable loan. Other factories followed, but for many years the methods employed were very unskilled and unproductive, and they were occupied as much with the distilling of spirit as the production of sugar. Between 1855 and 1880 great changes took place in the sugar industry, owing to improved technical methods and the entrance of more capital, and Russia began to take an important place among the sugar-producing countries of Europe. Until 1880 the production was not, however, sufficient to supply the internal demand, but since that time it has not only been able to do so, but also to export a considerable and increasing amount of sugar. Steady progress has been made in the technical processes, allowing the extraction of a larger quantity of sugar than before from beetroot. This varies, however, from year to year, as the condition of the beetroot and the amount of sugar contained vary in different harvests. The following figures show the development of the industry during the twenty-one years, 1881 to 1901:—

Year.	Number of manufactories.	Quantity of sugar.
		Tons.
1881	235	256,000
1891	227	514,600[2]
1901	277	880,497

[1] "La Russie à la Fin du 19me Siècle," pp. 447-75.
[2] The amount for 1891 given here is the average for ten years.

Since 1895 the sugar industry has been subject to special Government regulations, which prescribe each year the amount of sugar which may be sent to the home markets, the amount to be kept as a reserve, and the amount which may be exported. The price of sugar within the country is also legally regulated every year according to the amount of the output. Wood industries of all kinds are largely carried on in Russia, but chiefly by peasant workers. There are over 1,300 saw-mills in Russia, situated chiefly near Archangel and in the Baltic Provinces. Cabinet and furniture making employ about 10,000 men in over 300 factories, situated chiefly in St. Petersburg and Moscow. The employment of wood pulp for paper-making, as well as for cellulose articles, has recently given a great impetus to these branches of manufacture. The value of the manufactures of paper, cardboard, etc., in 1887 amounted to about 21,000,000 roubles, and had risen in 1897 to over 45,000,000 roubles. The preparation of leather has always been a prominent Russian industry, but this has also expanded considerably during recent years, the value of the production rising from 39,000,000 roubles in 1887 to 57,000,000 roubles in 1897. Glass and china manufacturing have made similar progress, both in the quantities produced and the technical skill employed. In many other industries new and improved processes have been introduced, and the output has largely increased during the last ten or twenty years.[1]

The share of Russia in the fishing trade of the world is small, compared with that of other nations, because Russian fishing is confined to inland waters and to the Russian coast, which is of comparatively small extent. The climatic differences which characterise regions so distant as the Murman and the Black Seas, the Northern Dvina and the Volga, are reflected in the fishing trade, which also presents a great number of

[1] "La Russie à la Fin du 19me Siècle," pp. 300-306, 365-74. "Statesman's Year-book," 1903, p. 1035. "Russia: its Industries and Trade," pp. 202-3, 323.

local variations. The expansion of the Russian race has taken place along the course of the great rivers; "in certain cases fishing traders were the first colonists, migrating ever further and further from the centre and moving on towards the mouths of the rivers. It was doubtless in this way that in early times the Russian fishermen found their way to the lower reaches of the Volga, at a date even earlier than that of its conquest by Ivan the Terrible. Although the Slavs are considered born fishermen, there is no doubt of the fact that Russian settlers, coming in contact with fishermen of other nations, acquired from them both the implements and the methods of catching fish."

The fish most important for purposes of commerce found in the northern waters of European Russia are the salmon, lamprey, eel, sturgeon, smelt, and whitebait. In the southern waters fish which migrate to rivers at certain seasons are of far more importance than ocean fish. The most valuable of these migratory fish is the sturgeon. Fish for sale at a distance is packed fresh in ice or is preserved, and this latter process is effected in a variety of ways. Small fish are sun-dried in the south, dried in stoves in the north; larger fish are cut up and salted or smoked. The preserving of fish in hermetically sealed tin boxes, first introduced about twenty-five years ago, has spread over a large area and continues to increase. The principal preserving factories are situated on the shores of the Baltic and Black Seas. The chief products are dried sturgeons' backs, isinglass, and caviare in different forms. During the year 1900 Russia exported of all kinds of fish and of caviare 244,100 cwt. to the value of £466,300, more than half the total value being represented by caviare. Salted and smoked fish is sent to Roumania (85 per cent.), to Austria-Hungary and Turkey. Red caviare goes to Turkey, Roumania, Greece, and Bulgaria, the other kinds to Germany, Turkey, Roumania, and Austria-Hungary.[1]

[1] "Russia: its Industries and Trade," pp. 250-58. "Russie à la Fin du 19^{me} Siècle," pp. 249-60.

6. Recent Industrial Crisis

All branches of industry in Russia have recently suffered from depression of trade, especially those dealt with by Mr. Cooke in his report on the Mineral and Metallurgical Industries of Russia, from which I have quoted more than once. The statements made there are amply justified by the reports in the Russian press and official reports, including the Finance Minister's annual reports on the budget. *The Bourse Gazette* of St. Petersburg in reviewing the year 1900 (in its issue of January 2nd, 1901) stated that "The rise of a whole series of waggon-building and metallurgical works was founded, not on the demands of the market, but on more or less speculative calculations. In the hope that Government orders would be always showered down, as from the horn of plenty, and that the prices for them would give enormous profits, works sprang up in numbers. The result was that, on the first reduction of prices for Government orders, the full incapacity of these hastily grown undertakings to exist by themselves was at once revealed."

In the report on the budget for 1902, M. de Witte gave an account of the industrial crisis, which he attributed partly to the effects of a succession of bad harvests, and partly to the continued withdrawal of foreign capital caused by the South African War and the consequent stringency of the European money markets, but also in part to speculation and over-production in Russia. His words are as follows:—"During the last decade, industry made rapid and steady progress. This was caused by a consistent course of protectionism and by the increased demand on the part of the population and the Government. The abundance of money at home and the influx of foreign capital facilitated the foundation of new enterprises. Industry availed itself largely of this combination of such favourable circumstances, in order

to organise and develop its undertakings. The number of factories and works was greatly increased; new branches of industry sprang up, while existing enterprises extended their operations. In the eight years' period, 1892-1900, the output of pig-iron and coal increased two-and-a-half times, that of petroleum to twice the amount, the production of steel and iron increased at the same rate, while cotton goods rose one-and-a-half times. But this regular growth of production, which inevitably led to a gradual fall in the prices of commodities, in consequence of the development of competition, was accompanied by violent speculation, in spite of the repeated warnings of the Ministry of Finance that the consequence of such a course would be very lamentable. In some branches of industry, the calculations of the further increase in the demand greatly exceeded the actual growth of requirements. In separate undertakings there were cases of irregularities permitted in their foundation, and of unbusiness-like ways of conducting affairs, sometimes even abuses. Ill-conceived, weakly organised or badly managed enterprises, in the natural course of affairs had gradually to succumb. The stringency in the money market hastened and intensified this process, and the embarrassments of the weaker undertakings could not but affect the position of those possessing more strength and vitality. Instead of being reduced gradually, prices fell rapidly and abruptly. The sharp change in prices and the embarrassments of certain undertakings have reacted most unfavourably on the pecuniary position of many private persons. These embarrassments likewise produce a sinister effect on the national economy, principally owing to their abruptness. But such an effect is merely temporary, while in its essence the lowering of prices on manufactures is advantageous to the mass of the population."

In his report on the budget for 1903, M. de Witte returned to this subject. "In the course of the year just completed no improvement has been seen

in this direction. On the contrary the embarrassments have increased." He went on, however, to show that although the depression in trade, and notably in the iron trade, had resulted in a decline of production, the production of pig-iron was still greatly in excess of what it had been in 1897. "This apparent contradiction proves what giant strides metallurgical industry has made, in spite of two painful years of stagnation. The same is true, though on a smaller scale, with regard to other branches of industry, which are at present suffering from temporary difficulties; the rapid growth of production has ceased; there has even been a backward tendency, but on the whole the progress made has not been lost." M. de Witte's hope is that the temporary lowness of prices will stimulate the demand within the country and that a natural home demand will take the place of the artificial demand hitherto caused by Government orders.

Other Russian writers are less sanguine on this point, however, as they see no possibility of a large demand for iron or other manufactured goods springing up amongst the impoverished and starving peasantry. Prince Mestschersky, writing in the *Grashdanin*, of St. Petersburg, on January 21st, 1901, said: "A new idea has sprung up now; the failure of our industry is the fault of the people, especially of the peasant, who obstinately refuses to buy the products of our artificially inflated industry. . . . But do not deceive yourselves, the industrial crisis has arisen, not because the mass of the people 'will not' help it with their kopeks, but because they 'cannot.' This is an enormous difference. . . . It would be more logical for the development of mills and works to begin with the development of the people, so as to create a consumer, than to begin with the development of factories, mills, and railroads, for a people wanting in the very first elements of prosperity." According to this writer the only hope of industry in Russia lies in the greater prosperity and better education of the peasant population. "Were

the tens of millions spent in covering our villages with a whole network of the most elementary artisans' schools, then we should see, instead of the sombre picture of universal disenchantment and universal impoverishment, a brighter picture of national welfare, which alone would give us the right to approach the question: is it not time to begin the development of our factory and industrial life?"

The effect of the crisis upon public opinion in Russia seems to have caused a reaction against the policy of protection which has been so consistently followed. The Moscow *Gazette* of February 1st, 1901, in the course of a leading article on the metallurgical industry, said: "The position was abnormal, and we have raised our modest voice against such protection of the mineral industry, more especially of its foreign enterprises. We have pointed out the necessity of refusing such protection, by which only the workers gain, while the national consumption is in no way benefited. It is time to have done with this triple protection—customs duties, Crown orders, and high prices." The same opinion is echoed in many other papers, both official and unofficial.

7. "Kustari," or Cottage Industries

The factory system, though it has undoubtedly taken firm root in Russia, does not seem likely to make so clear a sweep of small home industries as it has done in other countries. The reason for this may be found in the peculiar economic position of the Russian peasantry and in their capacity for co-operative organisation. Their holdings, now minutely subdivided, are in many cases incapable of supporting a family, and yet they are, or were until the year 1903, forbidden to leave them, and during the long winters have time to turn to other occupations. The more enterprising among them have therefore formed co-operative associations for the production of every kind of manufactured

article, the raw or half-manufactured material of which can be procured. The number of peasants engaged in cottage industries is estimated at between 7,000,000 and 8,000,000, a figure which far outstrips the 3,000,000 or 4,000,000 employed as factory hands. The trades carried on include every kind of spinning and weaving, metal work, and the production of almost every article that can be made out of wood, bone, leather, and fur.

The *artel* starts with the smallest capital sufficient to build a co-operative workshop or *svietelka*; working expenses are small, for the peasants' oxen and ponies supply any power that may be necessary, there is no rent to pay, and the taxes are low in proportion to the output. Sometimes the Kustari workshop is auxiliary to a town factory, from which it receives its half-wrought material, but more often these associations have been started and carried on without any assistance from regular manufacturers. Whole families find employment in the *svietelka*, and the hours of work are often very long—fifteen hours a day is by no means rare—while the earnings are very small. The latter fact is partly due to the action of the middlemen, often Jews, to whom the peasants sell their produce; partly also to the competition of large factories. Many branches of industry are, however, conducted exclusively by peasants, and their more artistic and ornamental products realise high prices in the capital and other large towns.

The chief markets for Kustari manufactures are to be found in Asiatic Russia, in China, and in Persia; and the great distance of these markets from the centres of production has given rise to a special industry—namely, the manufacture of packing cases. Goods which have to be transported so far must be securely packed, and the peasants have ingeniously devised ornamental tubs and casks with burnt or painted designs, which, instead of being thrown away as useless at the end of the journey, can be sold for as much as the goods they contained.

In the province of Nijni-Novgorod thousands of peasants are engaged in making enamelled wooden spoons, of which they produce 120,000,000 annually, chiefly for export to the Far East. The better kinds of these spoons are very artistically decorated, and the process is so elaborate that each spoon passes through the hands of fifteen different *artels*. Other specialities of Kustari manufacture are toys for export to Asia, and metal goods, including the national *samovar* and *ikons*. The making of metal articles is so successfully practised by peasants that in some branches of the trade they have ousted, not merely Russian, but even German and Belgian competition. The making of *ikons* is an extensive trade upon which much labour is lavished, for the Russian peasants never lose sight of the religious character of the *ikon*, and scorn to have recourse to any labour-saving operations.

Recently great efforts have been made to support and revive the Kustari trades, in which the Slavophiles see a peculiarly Russian institution. The Minister of Agriculture and the State Domains is allowed a certain sum each year for the purpose of assisting them, and a special committee is appointed to look after their interests, while there is a central museum of cottage industries in connection with the Imperial Agricultural Museum. Moreover, the Government endeavours to encourage the Kustari trades by giving them orders for the supply of military and naval requisites and other Government contracts. The *zemstva* are also turning their attention to the promotion of cottage industries within their districts. Thus in the government of Moscow the *zemstvo* has opened a depôt for the sale of produce, and for receiving orders, and the *zemstvo* of Perm has founded a bank for cottage industries. Technical schools with the same object have been founded by private efforts in several districts, and the workers are endeavouring to help themselves in certain of the industries, by combining in co-operative societies on the pattern of the national

artels. These usually aim only at the erection of a common workshop or forge, as the case may be, suited to the requirements of the particular industry, but in a few cases the workers unite also for the purchase of the raw material and the distribution of profits. If this plan could be more generally adopted the peasants would gain far more by their labour, but as a rule they lack commercial capacity, and allow themselves to be exploited by Jews, Armenians, and foreign middlemen, who purchase their products for less than half of the price at which they sell them.

The future of village industries, which is of vast importance for Russia, forms the subject of a striking pronouncement by Professor Mendeleief quoted in Mr. Palmer's book on "Russian Life." After describing the services rendered by the *artel* in preventing small industries from being crushed out of existence, he adds: "All this clearly shows that for Russia the last word has not been pronounced in the struggle between large and small enterprises, and there is every reason to hope that it will soon appear again most profitable and expedient to carry on a large part of the industries on a small scale, leaving only a portion of them to be handled by large enterprises, which will eventually probably pass into the hands of the Government as in the case of railways."[1]

Small industries form the chief occupation of the Jews engaged in industry. It is generally assumed that Jews have no taste or capacity for manual work, and generally speaking it is true that they prefer to be employers or middlemen rather than employed. In Russia, however, so few occupations are open to them, that Jews are found in numerous trades which call for hard manual work. In the towns of the pale[2] every

[1] "La Russie à la Fin du 19me Siècle," pp. 538-45. M. Kovalefsky, "Le Régime économique de la Russie," pp. 178-83. F. H. E. Palmer, "Russian Life in Town and Country," ch. xx.

[2] On January 1st, 1904, it was announced that M. de Plehve had decided to extend the Jewish pale or zone in which the Jews are permitted to live, and had selected fifty-seven new centres of residence for them; an Imperial decree sanctioning this decision was to be soon promulgated.

kind of manual labour is carried on by them: they are builders, blacksmiths, locksmiths, paviors, and in certain districts are employed also in factories. Their employment as factory operatives is, however, limited by their obligation to observe the sabbath, and if, as is generally the case, they work under Christian masters, the practical inconvenience of two holidays a week is very great. This and other causes connected with their national observances prevent Jews from being largely employed in factories, and the development of the modern factory system has diminished their chance of making a living in the few small industries open to them.

The paucity of callings which Jews may follow is due in part to the oppressive laws which are now enforced as rigorously as is practicable, and in part to their exclusion from nearly all opportunities of education. No Jew is allowed to hold any official position whatever: he must perform his term of military service, but can never rise from the ranks; Jews may not be employed on railways or even in their construction. They are allowed in artisan trades under certain conditions, *e.g.*, they must have learned their handicraft in a guild—admission to which is made very difficult for them—they must earn their living by their handicraft, and every part of the articles sold by them must be of their own manufacture. By dint of extraordinary aptitude and perseverance the Jews manage to acquire sufficient knowledge to earn a living in skilled trades, from which they would be entirely excluded if they relied on the usual avenues of entrance. In middle schools, gymnasia, and *Realschulen*, the rates of Jewish to Christian children must not exceed 5 to 10 per cent., in the higher schools 3 to 5 per cent., and by an order of the Minister of Education in 1901 the proportion of Jewish students at the Universities was reduced to 2 per cent. Every sort of device is employed to prevent Jews from obtaining the education which they are so anxious to acquire. If they are willing to establish and maintain schools of their own, permission is seldom granted

without a struggle, and never except on condition that the Government is to control what is taught and sanction the books to be used. In some cases permission is withheld unless 60 per cent. of the pupils are Christians, so that the Jews have to find the required proportion, which in the towns of the pale is not easy, and then to pay for them.

The result of all these restrictions is to confine the Jews to small home industries and artisan work, and even here religious prejudice narrows the already small field. Jews have long been forbidden to make *ikons*, and recently a movement has been set on foot to prevent their employment in the building of Orthodox churches. The trades chiefly carried on by Jews are watchmaking, tailoring, shoemaking, cigar-making, hand-loom weaving, and hatmaking. The untiring energy and intense individualism of the Jews do not of course endear them to their Christian competitors. The Russian peasant can do nothing without the support of an *artel*; the Jewish workman, on the contrary, has a positive dislike for co-operative labour, he likes to work as many hours as he can and earn as much as he can. The tendency of the Jews is always towards overwork, while the Russian is notoriously easy-going. Major Evans Gordon, in this connection, quotes the opinion of a factory manager at Warsaw, who "spoke very favourably of his Jewish workpeople. They are skilful and diligent, and he had no fault to find with them except that they would, unless carefully watched, try to do too much and so over-run the machines."[1]

8. Conditions of Industrial Population

The statement that there is an industrial population entirely detached from the land, and dependent on its earnings alone, is one which no Slavophile would allow

[1] Major Evans Gordon, "The Alien Immigrant," pp. 62, 136, 141. *Times*, August 9th, 16th, 1901. Harold Frederic, "The New Exodus," pp. 154-9.

to pass unchallenged. The Slavophile party maintains that the Russian labourer is primarily a peasant, a member of a village community who only engages in factory work in winter, when there is nothing to be done to the land, and is always longing to get back to his native fields. Nor is this assertion by any means without facts which seem to support it. For instance, the wages of factory labour generally are from 10 to 20 per cent. higher in summer than in winter, and in spite of this the number of workers is smaller. Again, the quality of the harvest is the main factor in determining the rate of wages. When the harvest is poor the number of persons seeking factory employment increases and the rate of wages falls.

There is, however, abundant evidence to show that these statements, though true in the main, do not cover the whole ground, and are not applicable to at least a section of the population. First, there is the fact that the exodus of factory workers during the summer is much smaller than is generally believed. M. Dementieff, after a minute inquiry in three districts of the government of Moscow, found that, excluding the mat factories, only 14 per cent. of the workers left the factory during the summer, and of these 12 per cent. were absent less than four weeks. In large factories where machinery was used he found the workers were practically a stationary class, whose one remaining link with the soil was the obligation to pay taxes. The same inquiry proved that this alienation from the land is no new thing. Out of some 18,000 persons questioned 55 per cent. were found to be the children of factory workers. The same fact was elicited by Professor Erismann as to the age at which factory operatives began work: 63 per cent. of the workers had begun work at an early age, and only 9 per cent. when over twenty-five years of age. Industrial work is now becoming the exclusive and hereditary occupation of this separate class. The textile trades, especially, offer employment to women, and the

presence of women in the factories tends to break up the *artel* system and to restore the family as the industrial unit. Children are educated in the factory schools, and when they begin work they learn difficult processes, which a peasant takes three or four years to master, in as many months. Several of the best cotton-spinning mills of Moscow have employed members of the same family for three generations. These persons, born and bred amid industrial surroundings, are more intelligent, better able to manage machinery, and work all the better for having shorter hours, whereas a diminution of hours makes no difference to the slow, unwilling effort of the peasant.[1]

The formation of a permanent industrial class has been greatly promoted during the last twenty years by legislation. The first labour law was passed in 1882, after twenty-three years of investigation by Imperial Commissions. It prohibited the employment in factories of children under twelve years of age, and the night employment of children between twelve and fifteen. The prohibition of night work was subsequently extended to women in the textile trades, unless they worked together with the male head of their family. The result of the law was greatly to diminish the number of children employed and to substitute women, and thus married couples who settled down permanently to factory work took the place of the single man who was free to come and go as he pleased. The second and chief act in the series of industrial laws was passed in 1886. It regulated the conditions of contract and instituted more effective factory inspection. One important stipulation of this law is that wages must be paid at certain definite times—once a month if the engagement is for a definite period, twice a month if it is indefinite. The causes for which fines and deductions may be imposed are defined, and all fines must form a fund to be used for the benefit of the operatives. Wages must be paid in cash only, and the

[1] Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 131, 170.

amount of deductions for any cause whatever must not exceed one-third of the whole wage. Factory shops are only permitted when sanctioned by the inspector, and their price list must also be submitted for his approval.

Factory inspectors were first appointed in 1882 to enforce the law on child labour. The law of 1886 gave fresh powers and duties and also instituted Provincial Factory Boards which are competent to pass compulsory regulations for preserving the life, health, and morality, of the operatives, and are also responsible for the administration of medical aid. Beyond this and some special laws which apply only to mines and metal works, no general measures have been taken for the prevention of accidents. Boilers were placed under special regulation in 1890, but the number of boiler accidents is stated by a competent Government engineer to be greater in Russia than in any other country. Inspectors are bound to take measures for the prevention of strikes and to hear complaints with a view to avoiding strife. The right to strike, recognised in all other European countries, is denied in Russia, where both strikes and lockouts are regarded as criminal offences. The law of 1886 was passed by the Government largely in the hope of averting strikes, but it failed to accomplish its end. Serious strikes occurred which had for their object the reduction of the hours of labour. Employers themselves were divided on this subject. In the district of St. Petersburg, where Western ideas prevail, and the population is thin and wages comparatively high, the manufacturers had petitioned the Government for a general twelve hours day and the prohibition of night work. In Central Russia, on the other hand, where wages are low, employers were anxious to retain their custom of working day and night. The excessive hours prevalent in many factories in the government of Moscow were only possible as long as the operatives were peasants, and able to recruit their strength in

open-air work during the summer. The development of a permanent industrial class made a day of sixteen or seventeen hours all the year round impossible. This tendency to shorten the hours of labour had already manifested itself before the law came to confirm it. The law of 1897 which limits the day to eleven-and-a half hours and prohibits Sunday and night work was intended to render the existence of the permanent factory class more tolerable.

What the general results of this legislation have been it is as yet impossible to ascertain. Factory inspection, if well carried out, would revolutionise the life of the Russian workman, but the inspectors' districts are so enormous (the district of Kharkoff is as large as Prussia) and their duties so multifarious that they cannot possibly perform one-half of the tasks allotted to them. Men of the highest qualifications are employed as inspectors, and some of the early reports contain the most valuable information. Since 1885, however, the publication of these reports has ceased, and with it all possibility of ascertaining the effects of the law. Everything now depends on the attitude of the administrators. It remains with them to deprive the law of all meaning, or to make it a source of real benefit and protection to the industrial classes. "In view of the general tendencies manifested by the Minister of Finance and the changes in the staff of inspectors," says M. Tugan-Baranoffsky, "we cannot help thinking that the former has been the case." M. Baranoffsky is, however, of opinion that, in spite of every endeavour on the part of employers to evade the law, its results have on the whole been beneficial. The somewhat conservative policy generally adopted by the inspectors was reversed in 1903 by the action of M. de Plehve, who has recently obtained the divided control of factory administration. In the autumn of 1902 M. de Plehve required the chief factory inspector of St. Petersburg to maintain industrial peace at the cost of any concessions which might be necessary. The

order was reported to M. de Witte, who gave directions that inspectors were to continue to obey the instructions of the Ministry of Finance.

The great industrial disturbances in 1902 at Kieff, Odessa, Baku, and other places have proved the futility of the prohibition against strikes, even when enforced by co-operation between factory inspectors and the police. These disturbances were, however, due less to specific grievances on the part of the workers than to the revolutionary propaganda, which are being actively carried on by the reform party. Pamphlets and proclamations inciting to revolt are published in immense numbers and circulated amongst the working population. The *Osvobojdenie*, commenting on the great increase of crime in 1902, which it attributes largely to these propaganda, called attention to the growth and activity of the movement. Isolated secret societies are becoming fused in larger associations whose object is a radical change in the existing form of government and the transformation of political life in accordance with the demands of the latest Socialistic doctrines. The revolutionaries are frequently in touch with foreign Social Democratic societies, and large numbers of their members are Jews, a fact which to a certain extent explains the anti-Semitic attitude of the Government. The railways especially are said to be veritable hotbeds of revolutionary propaganda, and it has consequently been proposed to place them, like all other workshops and factories, under the double supervision of the police and the factory inspectors.[1]

The limited extent of manufacturing industries by itself goes far to explain the miserable condition of the industrial population. Industry has not hitherto absorbed more than half of the surplus of the agricultural population, and hence the supply of labour

[1] *Times*, September 2nd, 1902; September 2nd, 1903. *Russian Journal of Financial Statistics*, February 1901 pp. 484-516. "La Régime économique de la Russie," pp. 236-42. Tugan-Baranoffsky, "Geschichte der russischen Fabrik," pp. 438-80.

is always in excess of the demand, and wages are consequently barely sufficient to maintain life. Allusion has already been made to the circumstances of capitalist production in Russia—the great factory with its barracks where the workmen are lodged, its schools, and hospital —and by far the greater portion of the industry of the country is carried on in factories more or less of this type. But even in the smaller factories, where the workmen provide their own lodging, they are probably dependent on the shop kept by the factory owner for their necessaries. Thus the factory class generally receives some part of its wages in kind, a fact which must be remembered in comparing the wages of Russian factory hands with those of the same class in other countries.

This comparison has been attempted by the factory inspectors, MM. Yanjoul and Dementieff, and the conclusion at which they arrived is that the Russian workman is worse paid than his fellow in any other European country. In the cotton trade M. Yanjoul found that the wages were from one-half to four-fifths less than in England. Schulze-Gävernitz found that in 1893 in a large and well-managed cotton-mill near Moscow, where the wages paid probably represent the maximum ever reached in Russia, the weavers were receiving from 16 to 20 roubles a month, as compared with 38 to 50 in England. Of this nominal wage, small as it is, the workman probably receives only a fraction. The law of 1886, it is true, prescribed fixed terms for the payment of wages, but previous to this (and the custom is of too long standing to be quickly eradicated) there was no date fixed. Contracts were generally of long duration—six months or more—and during that time the workman received no payment unless "he asked for it, and then only," says M. Yanjoul, "if his employer was able and willing to give it." He was, of course, obliged to obtain his food on credit, and this was most easily procurable in the shop kept by his employer. The result, according to Yanjoul, was that in some cases workmen never received any part of their

wages, but were in constant debt to their employer. The excessive profits made by these shops cannot be better shown than by the fact that since the passing of the law which places them under inspection the price list has in some cases been lowered 20 per cent., and in others not only the shops, but the factories connected with them, have been closed.

Fines and deductions were until recently imposed entirely at the pleasure of the employer. Indeed, a case is mentioned by M. Kovalefsky where a factory owner proposed to his manager that fresh fines should be imposed to indemnify him for a temporary fluctuation of trade. The history of other manufacturing countries shows that low wages invariably accompany the first stages of capitalist production. The analogy would seem to indicate that the present low wages of factory operatives in Russia may be ascribed not to capitalist production, but to the lack of it, and that a remedy must be sought, not in a return to the handicraft system, but in the extension of large industries. Already an improvement may be traced. M. Tugan-Baranoffsky has compared the wages earned in factories in the governments of Moscow and Vladimir during the years 1883 and 1896, and has found an average rise in the latter year of from 10 to 15 per cent., while the price of wheat had fallen. The hours of labour, as we have seen, are now regulated by the law of 1897, which restricts the working day to eleven-and-a-half hours. This law imposes on the whole country the hours which previous to 1897 already obtained in some districts of the north and west.

The St. Petersburg manufacturers were in favour of the entire abolition of night work, and they also maintained that a reduction of hours would not diminish the output of work. A report published in 1896 of the factory inspectors to the Department of Trade and Manufactures proved the truth of their contention. The chief inspector of the Vladimir district stated that the transition from twenty-four hours of continuous work to day work only, or to an eighteen hours' day

worked by two shifts, was invariably accompanied by increased productivity of labour, the degree of increase varying according to the part played by the skill and intelligence of the worker. In spite of this evidence in favour of reduced hours the Government could not get rid of the fear that a shorter day might mean lower wages, and as its object was to appear as the friend of the factory class, the result was a compromise. Night work was not abolished; it was only reduced to ten hours, and the limit of a day's work was fixed at eleven and a half hours, though a shorter period would have been welcomed by the St. Petersburg employers. The law also prohibits work on Sundays and on seventeen specified holidays, but the prohibition is not absolute. Other days may be substituted, or the workman may be employed on Sundays and holidays with his own consent. A circular, issued by the Minister of Finance in March 1898, gives permission for one hundred and twenty days' overtime during the year, in addition to the overtime necessary for cleaning and repairs, a permission which it is to be feared will render nugatory the main intention of the law.[1]

The life of factory operatives may be broadly described as belonging to one or another of four main types, of which the first is almost obsolete and the last has hardly yet been attained. The earliest phase of industrial evolution, which lingers only among a few backward trades, is that in which a factory situated in some rural district utilises the labour of the peasant population during their spare time. The whole situation is marked by its temporary, makeshift character. The workers sleep in summer in the open air, in winter in the workshop or in sheds hastily put together to serve for the occasion. There are no set times or proper places for meals, the workers go home on Sundays and bring back a sufficient supply of food for the week. Black bread is the principal article of diet.

[1] Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 129-39. Tugan-Baranoffsky, "Die Geschichte der russichen Fabrik," pp. 483-99.

The second stage is reached when the demand for constant and regular labour draws upon a wider area of supply. When the population in the near vicinity becomes inadequate the surplus population of the district combines in co-operative groups according to the peculiarly Russian form of association known as *artels*. The presence of a large number of persons gathered from distant homes compels the factory owner to provide the necessary accommodation. This is the origin of the workmen's barracks, so common a feature of Russian industrial life, which the factory inspectors agree in regarding as the first step towards the formation of an industrial class. In these barracks family life is of course out of the question. Sometimes the workers are all men, the women having been left behind in the villages. But even when men and women are both present the organisation is based on the *artel* as a unit, not on the family. Large dormitories with wooden bedsteads are provided, where the workers crowd together under their sheepskins as closely as possible for the sake of warmth. Where a double shift is worked the beds have never time to get cold. In the best factories men and women are separated. Food is provided by the head of the *artel*, who is able to supply a more nourishing diet than would be possible if catering on a small scale were the rule. Unfortunately the head of the *artel* frequently takes advantage of his position to enrich himself at the expense of his fellow-workers, a circumstance which must in the long run lead to the disintegration of the *artel*.

It is not till the third stage is reached that a permanent factory class develops, for the existence of such a class presupposes family life, and this can only be obtained when women are included among factory workers. The textile trades, and particularly the cotton trade, afford employment for women, and their number has increased since the law has placed restrictions on the employment of children. In these trades, therefore, the family is replacing the *artel*. Accommodation is

provided in factory dwellings for married couples, and by degrees women have obtained permission to keep their children with them, instead of sending them away into the country. These children are educated in the factory school and grow up into clever workmen. Traces of family life become visible in the dwellings, pictures appear on the walls, and the family meal takes the place of the common table of the *artel*.

In the fourth stage, which has hardly yet begun, the employer has nothing to do with the domestic life of his workmen. He simply pays them their wages, and they provide themselves with all the necessaries of life. This stage implies a concentration of industry in large towns or at least in districts served by railways.[1]

[1] Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 146-65.

CHAPTER IV

COMMERCE

1. Internal Commerce: (a) Fairs; (b) Development of Railway System; (c) Present Railway System; (d) Results of Railway Development; (e) Waterways.—2. Ports and Mercantile Marine.—3. History of External Commerce: (a) Before 1891; (b) Since 1891; (c) Trade with Germany; (d) Trade with United Kingdom).—4. Sugar Trade: (a) Russian Regulations; (b) Brussels Conferences of 1898 and 1901.—5. Present Position of External Commerce: (a) General; (b) With Special Countries.

1. Internal Commerce

Until recent years Russia, except in the large towns, possessed no settled and permanent trade. The desires as well as the purchasing power of the rural population were too limited to enable them to support any established commercial class. The traders from whom the peasants made their scanty purchases were, until the middle of the nineteenth century, a nomadic class, wandering continually from one to another of the many fairs which are held all over Russia at different times of the year. These fairs are not necessarily held near any town; a monastery is more often chosen as a meeting-place, and the date of the fair generally coincides with some great Church festival—Whitsuntide, or the Assumption. The largest and most important of them all is that of Nijni-Novgorod, which, situated as it is at the confluence of the Volga and Oka, is readily accessible from east and west. This fair still retains its importance as a commercial centre, but its character has changed during the last half-century, and the changes to be noted at Nijni-Novgorod are

significant of the transformation which during that period has come over Russian internal commerce in general. A traveller who visited the fair in 1843 recorded the principal wares which he saw offered for sale. They were firstly the products of the peasant industries of the north—coarse textile goods, *ikons*, jewellery, etc. Second in importance came sheepskins, furs, and tea from the south, and the metals of the Urals. The chief foreign articles were cotton goods from Persia and Bokhara. Of cotton from Central Russia there was no trace, for at that time it was destined entirely for local consumption, and the fair provided for the wants of foreign consumers. At the present time the volume of trade done at the fair is still large, for Nijni-Novgorod has benefited like other places by improved facilities of transport, but the kind of trade has completely altered. That with the Far East, especially with China, has diminished. Tea no longer comes to Nijni-Novgorod direct by the overland route, and on the other hand the export of woollen goods to China has decreased, owing to the competition of other European countries. The chief trade of the fair is now done in home-made goods purchased by the provincial merchants from the manufacturers of Moscow.

The same change may be observed at the fairs throughout the rest of Russia: the travelling merchant with his store of foreign goods, small in compass, but of high value, has given place to a great body of trade in articles destined for the consumption of the masses. The people have acquired a greater purchasing power than formerly, owing to the industrial development of Western Europe and the market it offers for the export of corn, and to the construction of railways. Money has thus been brought into the country, and has done away with the need for barter in trade transactions. Industries have been developed and their products diffused by railways, so that now a village shop can sometimes offer a constant supply of articles which once

could only have been procured at distant fairs and at long intervals. The influence of the export of corn as the predominating factor in this development is evident from the fact that the harvests and the price of corn regulate the demand for industrial products. The more corn is sold to Western Europe, the more cotton is bought at Nijni-Novgorod.

The change in economic conditions generally is also beginning to make its influence felt upon the fairs. They are no longer the sole points of exchange, and permanent localised trade is beginning to take their place. The high-water mark of trade at Nijni-Novgorod was reached in the years 1880-84, when the transactions of each year averaged 215½ million roubles: in 1892-6 the yearly average had sunk to 170 millions. The quantity of textiles, too, brought to the fair is less than formerly, although the total production is much larger, a sign that the chief industry of Russia no longer depends entirely upon the markets afforded by fairs. The latest change of all shows that the fair tends to become an exchange. Samples are taking the place of goods in bulk, and orders are given at fixed prices. Plainly sales of this nature might just as well be effected at Moscow. The future importance of the fair will probably consist in its trade with the Asiatic dependencies of Russia. The suspicious, bargain-loving Oriental will not soon adapt himself to a system which requires him to buy goods he has not seen and to pay prices over which he has had no opportunity of haggling. For him the old conditions of personal bargaining and actual purchase must long continue to exist. The railways, which at first benefited Nijni-Novgorod, are already drawing trade away from it by opening up other districts. Small retail fairs are becoming of greater importance, and local demands are met by a class of small merchants who transport their goods from one little fair to another. In the province of the Don fifty-two such fairs are held in the course of a year. The returns of the Central Committee of Statistics for

1894 show that, of the 16,604 fairs which took place during the year, 87 per cent. were small fairs, where the peasants sold their surplus stock in exchange for the indispensable necessaries of life such as brick tea, sugar, etc.[1]

The first Russian railway, constructed in 1836, was a short line running from St. Petersburg to Tsarkoe Selo, the summer residence of the Tsar, which was prolonged a little in 1838, but after that date no further development took place until 1843. The Government then undertook the construction of two important lines; one in Poland, connecting Warsaw with the Austrian frontier, a distance of 204 miles, and the other between St. Petersburg and Moscow, a distance of 400 miles. The latter, which runs in an almost absolutely straight line from one town to the other, took eight years in building and cost the enormous sum of nearly 100,000 roubles per kilometre.[2] During the Crimean War the absence of any railway connecting the centre of Russia with the theatre of the war was the cause of much delay and much suffering to the Russian troops, and drew attention to the subject of railways. In 1856, the Tsar, Alexander II., directed his Committee of Ministers to consider the whole question of railway construction, and from this time forward the railway system was developed more or less rapidly under the general control of the Government, although the actual building of the lines was usually carried out by private companies. Between 1856 and 1878 the number of miles of railroad constructed annually averaged about 600. "By that time the railways formed a system which served the whole of European Russia with main lines to the limits

[1] Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 60-70. "La Russie à la Fin du 19me Siècle," pp. 633-51. "Statesman's Year-book," 1901, pp. 1012-3.

[2] There is a well-known story that the directness of the line is due to a caprice of the Emperor Nicholas, who, in impatience at the many different proposals put before him, is said to have drawn a line with a ruler and said, "The line shall be constructed so." But whether the fact is due to caprice or policy it is of the greatest advantage that the communication between the two capitals should be as short and speedy as possible.

of the western land frontier, the Baltic, Black, and Azoff Seas, and the Caucasian Mountains and the Volga. . . . In this period there were also opened the following sections of railways:—On the other side of the Volga, the Batraki-Samara-Orenburg and the Yaroslaff-Vologda; in the Trans-Caucasus, the Poti-Tiflis, and on the Ural, the Perm-Ekaterinburg-Berezniaki."

After 1879 the construction of railways proceeded far more slowly, as the immediate requirements of the country were supplied, but the rapid increase of industry and commerce, due in great measure to these railways themselves, soon outgrew their capacity and rendered a further extension of the system a matter of urgency. The Government, which had hitherto been content to regulate and encourage the enterprise of private companies, now entered the field itself as constructor and proprietor. In 1875 it had been decided to build a line in the valley of the Donetz, but owing to the war with Turkey, the actual construction was postponed until 1881. As it then proved very successful the Treasury went on to construct other lines, and in 1898, with the appointment of M. de Witte, formerly, as we have seen, himself a railway man, to the position of Minister of Finance, a new period of great activity in railway building began, the number of miles opened increasing every year, as is shown in the following table:—

Year.	Miles opened.	Year.	Miles opened.
1890 . .	424	1896 . .	1,505
1891 . .	78	1897 . .	1,586
1892 . .	324	1898 . .	1,898
1893 . .	1,120	1899 . .	3,109
1894 . .	1,402	1900 . .	2,934
1895 . .	1,255	1901 . .	2,282 [1]

The most important addition during these years has

[1] Including 1,584 miles in Manchuria, constructed by the Chinese Railway Company. Within the Russian Empire 4,100 miles of railway were under construction in 1901, of which 698 miles were opened for traffic.

been the Great Siberian Railway, the first stone of which was laid at Vladivostok in May 1891, and the last rail, that connecting the Manchurian with the Trans-Baikal line, in November 1901, when through communication was officially declared to be established on the Siberian and Manchurian Railways.[1]

Up to October 1902 the total length of railways open to traffic (including 1,762 miles in Finland) was 36,496 miles, besides 616 miles of private lines. Of these lines 23,153 miles belong to State railways, and 10,419 miles to private companies, for during recent years the Government has, in addition to building new lines, acquired by purchase many belonging to private companies. Of the lines constructed by the State some have been intended to open up new fields of commerce, or to promote special industries, but most of them have also an important strategical or political end to serve, and of some this is evidently the sole object. Such, for instance, is the Murghab branch of the Trans-Caspian Railway, which runs from Merv to Kushk, near the frontier of Afghanistan, and within eighty miles of Herat, a line upon which no foreigner has ever been allowed to travel. Strategical considerations seem also to have been mainly influential in determining the course of the railway from Orenburg to Tashkent, passing round the north-eastern shores of the Sea of Aral. This was begun in October 1901, and is to be completed by the end of 1904, and the connection thus afforded between the central parts of European Russia and Central Asia will also be of great commercial importance. By this line, as an article in *The Monthly Review* for August 1902 pointed out, the frontier of European Russia will be brought within three days, and Moscow within five days, of Merv and Kushk. "No part of Russia now connected by rail with Moscow will be more than a week's journey away from the point of

[1] "Russia: its Industries and Trade," pp. 41-4. "La Russie à la Fin du 19me Siècle," pp. 852-6. "Foreign Office Report on Consular District of St. Petersburg," 1901.

danger on the Afghan frontier; and less than three days will suffice for the concentration in Central Asia of troops and munitions of war from Samara and the adjacent eastern governments." The construction of this line from the Tashkent end was formally inaugurated on October 22nd, 1901, in the presence of General Kourapatkine, the Minister of War, but considerable progress had then been made from the Orenburg end, where construction had been begun some months earlier. In August 1902 it was reported that the railway had been laid for a distance of 108 miles from Orenburg, but that unexpected difficulties had arisen in the southern section of the line, where progress was consequently very slow. In October 1902, however, a portion of the Orenburg-Tashkent Railway was traversed by the Governor of the province in the first train run on that line, and in December 1903 it was reported that the rails were laid for 628 miles on the northern half of the line and for 290 miles from Tashkent, leaving only about 270 miles to be laid. The proposal to extend the Russian lines into Persia has been under consideration for some time, and in 1899 a private company was authorised to build, without State guarantee or assistance, a line from one of the stations on the Kars Railway to the Persian town of Julfa. The project has, however, not yet been carried out. Another line is said to be planned from the Trans-Caspian Railway to the Persian town of Meshed. A writer in the *Novoe Vremya* in September 1902, pointed out the urgent need of Russian railways in Persia, in view of the proposed German Baghdad Railway, and of the English Quetta-Seistan Railway. Lord Lansdowne, however, said in the House of Lords on May 5th, 1903: "I believe it is an open secret that a few years ago Persia undertook to defer the construction of any railways at all for a term of years. We were not parties to that arrangement, nor did we contract any obligations under it. The position in which we stand is this—that, whenever railway construction takes place in Persia, we have a right to construct, or procure the

construction of, railways in the southern part of that country. Persia will then be opened, not only to the capital and enterprise of other countries, but to the capital and enterprise of this country as well; and though that arrangement may not be recorded in any very formal manner, we are satisfied that it is a binding engagement on the part of the Persian Government, and we should certainly maintain that that is its character."

Another project of importance is a line along the Caucasian coast of the Black Sea. By a decree of March 1st, 1902, the concession for this line was granted to the Vladicaucasus Railway Company, and the Minister of Agriculture and Domains made a special journey in the autumn of 1902 in connection with the undertaking. One of the most remarkable developments of the Russian railway system is the Trans-Caspian line, which runs from the shores of the Caspian Sea to the border of Chinese Turkestan, passing through the celebrated, but until recently inaccessible, towns of Merv, Bokhara, and Samarkand. The commercial importance of this line, which opens up Central Asia, is already very marked, but its only communication with the European railway system has hitherto been by steamer across the Caspian Sea to Baku or Petrovsk. Through railway communication will, however, soon be completed by the Orenburg-Tashkent line already mentioned.

The Great Siberian Railway (of which an account is given in the chapter on Siberia) is of course of the utmost importance from both the political and commercial point of view, as it joins the two capitals of European Russia with the farthest limits of the empire and opens up the whole of the southern districts of Siberia, with all their possibilities of agricultural, forest, and mineral wealth. By the junction of the Russian with the European railway systems, straight and uninterrupted railway communication is offered between the shores of the Atlantic and Pacific Oceans, with the exception, at present, of Lake Baikal, which is

crossed by steamer, but round the southern end of which the railway is eventually to run. At its eastern termination the (Manchurian) line divides into two branches, one ending at Vladivostok, and the other at Port Arthur and the neighbouring new port of Dalny. The Trans-Siberian journey also can be completed within Russian territory by the water passage from Stretinsk down the rivers Shilka and Amur to Habarofsk, and thence by rail to Vladivostok. The western termination of the Great Siberian Railway is at Cheliabinsk, where two lines branch, one passing through Samara direct to Moscow, and the other northward through Perm and Viatka, and terminating at present in the town of Kotlas, whence there is a water communication down the Dvina to the Gulf of Archangel. The only route from St. Petersburg to the Siberian Railway has therefore been hitherto through Moscow, but a direct connection passing through Vologda and Viatka has been authorised, and its construction already set on foot. Another line which is projected is to connect Kotlas and Archangel, and thus to give through railway communication between the Great Siberian Railway and the White Sea.

A further very important line, long projected, is that between the town of Tornea at the head of the Gulf of Bothnia and the Swedish town of Lulea. As St. Petersburg is already connected with Tornea by rail, this brings the Russian capital into direct communication with the Swedish railway system, and especially with the important line passing through the iron-producing district of Gellivara to Victoria Hafen, a newly constructed ice-free port in Norway on the Atlantic coast. According to *The Board of Trade Journal* the line was opened to traffic on November 18th, 1902. It has been for some years past feared by Scandinavian politicians that Russia looked upon this port as she formerly did upon Port Arthur, and that she would attempt to acquire the northern part of the Scandinavian peninsula for its sake. But now that

Russia has in Ekaterina an ice-free port of her own, with an excellent harbour, upon the coast of Lapland, which it is intended to connect with St. Petersburg by canal or railway, it appears to some less likely that she will endeavour to acquire the Norwegian port. In July 1903 the new railway between Lulea and Narvik was opened by the King of Norway and Sweden. This line, running from the Gulf of Bothnia to the Atlantic, "crosses the trunk railway which already connects the capital of Sweden with Morjaro, and before long will doubtless be continued to Tornea Elf, a river only some 60 kilometres ($37\frac{1}{5}$ miles) distant from Morjaro, which forms the Russo-Swedish frontier. Here a junction with the Finnish railway system may be easily effected at Boden. At this point Sweden is constructing extensive and heavily armed fortifications to check a possible attack from its mighty Russian neighbour. It is evident that the defence of Boden will be essentially strengthened by the existence of the new railway to the Atlantic," as troops can be rapidly conveyed from Narvik, a port open all the year round.

It will be seen with what energy the Russian State has recently entered upon the task of bringing the most distant regions of the empire within the railway net, whilst the growth of industry and commerce within the thickly populated districts of European Russia causes a constant demand for fresh lines of communication. Thus, besides those already mentioned, new lines under construction or projected are the Bologoi-Sedlets line, which is to be a further means of communication between St. Petersburg and Poland, the St. Petersburg to Kieff line through Vitebsk, and a second Ekaterinminsk line intended to relieve the congestion of traffic in the Donetz region. Yet extensive as the mileage of the Russian railways is, it is small in proportion to the extent of the country, and it has been estimated that to reach the level of other European countries in this respect, Russia must construct an additional 53,000

miles at least. In his report on the budget for 1902, M. de Witte pointed out that "in Russia (*i.e.*, European Russia, Poland, Finland, and the Caucasus) for every 1000 square versts (439 square miles) there are only 9·27 versts (6 miles) of railways, while for the same area the United States possess 35·3 versts (23 miles), Austria-Hungary 55·7 versts (36 miles), France 84·4 versts (55 miles), Germany 100·5 versts (66 miles), and Great Britain 118·7 versts (78 miles). The foregoing figures will appear still more unfavourable to Russia when it is borne in mind that the countries of Western Europe and North America have, moreover, a much greater abundance of other ways of communication, such as roads, seas, rivers, and canals. Now, owing to certain conditions of our soil and climate, at times it is very difficult to use our roads, while our sea-front, notwithstanding its actual great extent, is very disproportionate to the area of land, when compared with western States, and besides that, our northern waters are very unfavourable for navigation. Finally, our rivers, lakes, and canals, are ice-bound for a considerable part of the year. All this increases the economic importance of railways in Russia."[1]

During the last ten years passenger traffic upon the Russian railways has increased nearly five-fold, and the goods traffic more than eight-fold. The following table shows the growth of passenger and goods traffic during recent years :—[2]

[1] "Statesman's Year-book" for 1902, pp. 1023-4; for 1903, p. 1044. "Report of the Minister of Finance on the Budget of the Empire for 1902," p. 22. "Russia: its Industries and Trade," p. 44. "Foreign Office Report on Consular District of St. Petersburg" for 1901. H. Norman, "All the Russias." "Russia's Venture in Central Asia," *Monthly Review*, August 1902. "Russian Railways, Foreign Office Reports," Miscellaneous Series, 1900. *Times*, November 1st, 1901; December 8th, 1902; May 6th, 1903. *Daily Mail*, September 1902. *Globe*, December 4th, 1903.

[2] The figures given in this table are quoted by Mr. Consul-General J. Michell, from the "Report of the Imperial Department of Ways of Communication." They do not agree with those given in "The Statesman's Year-book" for the years 1898, 1899, and 1900, or with those in *The Russian Journal of Financial Statistics* for 1898 and 1899, nor do these agree with one another.

Year.	No. of Passengers carried.	Tonnage of goods carried.	Gross Receipts.	Receipts per mile.
			£	£
1898 . . .	78,411,372	98,961,500	50,116,834	1,828
1899 . . .	83,565,184	107,697,642	53,445,902	1,778
1900 . . .	91,536,905	117,913,581	59,259,490	1,788
1901 . . .	99,883,542	119,910,564	60,325,353	1,717

Though there has been a very large absolute growth in the number of passengers and the quantity of goods carried, the number of passengers and quantity of goods per mile of railway opened have both diminished, with a consequent diminution of receipts. This is easily explained by the fact that a large proportion of the railway mileage recently opened to traffic runs through distant and sparsely populated regions, where it must create rather than satisfy a demand. It appears also to be due in part to dishonesty on the part of the railway officials, especially in regard to the returns as to the number of passengers carried. There are also great complaints of the insufficiency of the rolling stock to meet the requirements of the goods traffic, with the result that goods wait at the more remote stations sometimes for three or four months before they can be moved. The extent of railway with a double track is also still small, and some of the lines, for instance a large part of the Great Siberian Railway, have been laid with rails too light for heavy traffic. A considerable amount of repairing and relaying has already been necessary on this line, as the development of the goods traffic has been very rapid and far in excess of the official expectations. In 1900 over 700,000 tons of goods passed over, and the railway was unable to carry a large part of the freight offered. The exportation of butter from Siberia, which the late Minister of Finance made great efforts to foster, suffered greatly in 1901 from the insufficiency of refrigerator cars, and the consequent detention *en route*. Thus, although 31,742 tons of butter were exported from Russia during the

year, a great part of it reached the foreign markets in bad condition and found no sale. M. de Witte consequently ordered the construction of 1,000 ice-cooler cars for the transport of butter to be ready for the summer of 1902. Another cause of complaint against Russian railways is the very low speed at which the trains are run, due partly to the dangerous condition of the line in many places, partly to the general use of wood as fuel. The use of coal for locomotives is practically unknown in Russia, but naphtha has been successfully adopted on some lines, and in November 1900 the Minister of Ways of Communication announced his intention of adopting this fuel on all the locomotives running on the Russian railway system.

The Times correspondent at Odessa in September 1903 reported that, with the advent of the grain cargoes, the goods organisation of the railway lines was breaking down as usual. "From forty to fifty British steamers alone are marking time at Odessa, Nikolaieff, and other Black Sea ports, patiently awaiting their cargoes which are blocked in railway sidings to the north. As the harvest over a considerable area in South Russia has this year been a good one, and as the railway lines feeding the principal ports of export in the south are already in difficulties, though the grain campaign on an intensified scale has only begun, it is in every way probable that even greater losses than usual will be caused this year as a direct consequence of Russian railway mismanagement and lack of rational traffic organisation."

The most important measure undertaken by the Government in Russia with regard to the railway system has been the regulation of the rates to be charged. Before 1889 the various railway companies were allowed to charge what rates they pleased for both passenger and goods traffic, with the consequence that the goods traffic in particular was much injured by the uncertainty and variability of the charges on different lines, some of which were at the same time excessively

high. By a law passed in May 1889 special Government authorities were created, under the Department of the Minister of Finance, to control the rates charged, whether on the State railways or on private lines. These rates are fixed in the first place by agreement between the representatives of the different railways, who meet at a special board in St. Petersburg, and then submitted to the Government Committee, and, when approved by them, finally submitted to the Minister of Finance. This method resulted very quickly in a thorough revision of rates, which were brought under a clear and uniform system. In 1894 the so-called zone or differential rates system was introduced both for passengers and goods, by which the rate per mile becomes less the greater the distance traversed, with the result that long distance journeys in Russia are extraordinarily cheap, especially for third-class passengers, and for certain classes of goods. For the purpose of fixing the railway rates, all goods are divided according to their bulk and value into twelve classes, but in special cases, when it is thought desirable to facilitate the carriage of particular goods, the rates are still further reduced.[1]

Before the introduction of railways into Russia in Europe, the rivers and canals formed the chief means of communication and routes for commerce, and in this respect still play a very important part. The great length and volume of several of these rivers, and the fact that the majority of them rise in Central Russia, and flow thence in all directions to the various sea-frontiers, are circumstances which might seem to offer an ideal system of waterways. There are, however, serious disadvantages, the most important of which are due to the climate. Owing to the severity of the winter the rivers are frozen over or closed to navigation by ice, for periods which vary from six or even seven months in the extreme north to four months in the south of

[1] "Russia: its Industries and Trade," pp. 41-8. "Foreign Office Reports, Trade of Consular District of St. Petersburg," 1901, pp. 21-3.

Russia. In summer, on the other hand, the rivers, which as a rule flow gently through level plains, are exposed to the full action of the sun, and often in consequence lose so much of their water as to make navigation difficult. A further disadvantage is that but little has been done by artificial means to improve the river beds, so that in many places traffic is impeded by rapids or by the débris deposited by the spring floods, etc. The attention of the Government was directed to this matter as early as the reign of Peter the Great, who ordered the mouth of the Don to be cleared and planned to connect it with the Volga. In the same reign the system of canals connecting the Neva with the Volga was constructed. In 1798 a Department of Navigation Communications was formed, under which the improvement of the waterways went actively forward, until the Crimean War turned the attention of the Government to the construction of railways, rivers and canals being considered of less importance. The increase of commercial activity during the last quarter of a century has again directed attention to inland navigation, and a series of important measures for its improvement has been undertaken, including the acquisition of a considerable fleet of dredgers, the buoying out of the channels, and the appointment of a staff of river police. The chief canals are those which connect the large river basins. Thus the basin of the Volga—itself by far the most important waterway in Russia—is connected with that of the Neva by three artificial courses, and with the basin of the North Dvina by another system. The river Dnieper is connected by canals with the West Dvina, the Niemen, and the Vistula, and the Niemen and Vistula are also directly connected. In addition to the canals connecting rivers, others have been cut to avoid shallows, rapids, etc.

At the present time several important new schemes are under consideration, one of which is the construction of a waterway between the Baltic and the Black Sea by

means of a deep-water canal connecting the West Dvina with the Dnieper. More than a century ago a series of canals was constructed connecting the Dvina with the Berezina, one of the tributaries of the Dnieper, and produce from Southern and Central Russia was carried to Riga by this route. The construction of railways caused the water route to be neglected, and all goods, with the exception of timber, are now carried by rail. The question of its improvement has, however, been raised from time to time, and in 1875 a Committee, composed of leading members of the Riga Exchange, merchants, engineers, and others, was appointed to consider it. No result followed at that time, but on various occasions the question has been brought up again and the Government urged to take some steps. Several different proposals have been made, including a very ambitious scheme prepared by a syndicate of British capitalists in 1900, which provided for a depth of 28 feet from sea to sea at a cost of £24,000,000, but up to the present time none of these have been accepted. Another canal scheme, which has been much discussed, is that by which it is proposed to connect the Black and Caspian Seas. In August 1901 it was stated that the Russian Government had rejected a scheme for this canal put forward by three engineers, one of whom was an Englishman, but that, at the instance of the Government, investigations of a more exhaustive character would shortly be carried out in the belt lying between the two seas by specialists in canal construction, and that upon the results obtained would be based the decision as to the advisability of constructing the canal. In the north of Russia an important scheme has been definitely resolved upon. This is the construction of a ship canal—on the model of the Kaiser Wilhelm Canal, so that the largest warships may pass through it—from the Baltic to the White Sea, and to the new ice-free port of Ekaterina on the north coast of Lapland. In September 1903 the Moscow *Viedomosti*, one of the chief organs of the Russian

Agrarian party, pointed out that, while during the last decade hundreds of millions of roubles had been spent on railways, only the most trifling sums had been allotted for the improvement of the waterways of the empire, and emphasised the importance of river traffic in the economic life of the nation. It further expressed the hope that more attention would now be directed to the waterways in consequence of the removal of M. de Witte from the Ministry of Finance, since his policy had especially favoured railway development.

The total extent of rivers, lakes, and canals in European Russia (exclusive of Finland) is 76,500 miles, of which 24,785 miles are navigable for vessels and 26,800 miles for rafts only. Of the 24,785 miles navigable for vessels, 16,680 miles are navigable by steamers. The following table shows the distribution of the transport of goods on the most important rivers in the years 1890 and 1900:—

River basins.	1890.	1900.
	Tons.	Tons.
Volga	8,351,100	17,073,000
Neva and lakes	3,143,800	4,627,000
Northern Dvina	403,000	1,499,300
Dnieper	2,627,900	3,837,000
Western Dvina	1,338,100	2,208,700
Niemen	918,900	1,402,600
Don	177,300	886,700
Southern Bug	177,300	274,100
Dniester	257,900	161,200
Narova, with lakes	193,500	499,800
Other basins	32,200	241,800
Total	17,975,300	32,711,100

The total tonnage of goods transported on the rivers of European Russia (exclusive of Poland, Finland, and the Caucasus), and the separate tonnage of the principal

articles of commerce from 1895 to 1900, was as follows (in thousands of tons)[1] :—

Year.	Total Traffic.	Timber.	Firewood.	Naphtha.	Corn.
1895 . .	23,469	9,124	3,788	2,377	3,672
1896 . .	25,044	10,278	3,837	2,586	3,612
1897 . .	27,407	10,465	3,854	3,505	3,751
1898 . .	29,003	11,139	3,935	3,903	3,796
1899 . .	30,855	12,347	4,191	3,860	2,686
1900 . .	32,711	12,731	4,335	3,881	3,616

2. Ports and Mercantile Marine

The construction of railways and the development of commerce in the Russian Empire have given a new and quite preponderating importance to the condition and position of its ports. So long as the only means of internal communication was by roads often rendered impassable by the long rains in autumn and sudden thaws in spring, or by rivers and canals which were frozen over or blocked by ice during a large part of the year, it was of comparatively little importance that the ports should also be closed by ice for considerable periods, and that no special facilities should be provided for the rapid loading and discharging of cargo. But the introduction of a more rapid and constant system of land transport, together with the substitution of steamships for sailing vessels, have rendered it a matter of the first importance for Russia to possess ports open to navigation all the year round, where steamships can "always find a depth of water sufficient to enable them to lie close up against the quay, and to discharge and load with the greatest possible dispatch and a minimum of waste."

[1] "Russia: its Industries and Trade," pp. 50-57. "The Statesman's Year-book," 1902 and 1903. "Foreign Office Report, Waterways between the Baltic and Black Sea," Miscellaneous Series, No. 529. *Times*, August 21st, 1901; September 22nd, 1903. *Daily Mail*, May 13th, 1901.

Until quite recently Russia had no ice-free port at all, but within the last few years she has found this indispensable outlet at both extremities of her empire and its railway system. The naval base at Port Arthur and the great commercial port of Dalny in the Far East are described in the section on Siberia. In European Russia an ice-free port of still more recent formation is Ekaterina Harbour, on the Murman coast of Russian Lapland, where the action of the Gulf Stream keeps the harbour open all the year. This harbour was probably well known to the Northmen, for the name "Murman" is supposed to be a local corruption of "Norman," and more than a century ago was fixed on by the Empress Catherine as the site of a port, receiving from her its name of Ekaterinskaia Gevan. Her intention was not carried out, however, and the little fishing village on the barren coast remained half-forgotten until 1896, when by an Imperial Ukase and a grant of half a million roubles, the Russian Government undertook its transformation into an important harbour. In July 1899 the new commercial port and the town of Alexandrofsk were formally opened by the Grand Duke Vladimir, though the dockyard and naval station were not then complete. The sites for "warehouses, arsenals, barracks, official residences, and all the heterogeneous buildings of a town" have had to be blasted from the granite cliffs which rose everywhere from the water, but the work has gone on quickly, and "the inhabitants have been provided with a church, a school, wooden houses, hospital, court-house, police office, post and telegraph office, meteorological observatory, fish-curing station, hotel, electric light, and so forth, not to mention a good road and a short Décauville railway for local service between the court-house and the town quay, a fine structure 170 metres long. The Government quay and the future dockyard and arsenal are on the opposite side of the harbour on the Ekaterina Island." This island, which at low water is a peninsula, "protects the anchorage from the north-

east and east, whilst the mainland shelters it from the west and south-west, the result being a harbour about a mile and one-third in length and 466 to 583 yards wide, with 10 to 15 fathoms of water almost up to the steep coast, and protected from every dangerous wind." It is intended to make this port ultimately the terminus of a northern railway line, as well as to connect it, as we have seen, with St. Petersburg by a large ship canal.

Of the older ports the most notable is that of Odessa, upon which within recent years as much as £1,000,000 has been spent by the Government. But the harbour has still many grave defects, and the importance of Odessa as a centre of the grain trade has long given rise to complaints of the delay caused by the lack of proper facilities for the handling of grain and other cargoes, and by the insufficient accommodation for foreign steamers. The Government has now taken the matter into consideration, and Prince Hilkoff, the Minister of Ways of Communication, recently visited Odessa in order to study the various necessary extensions and improvements. A new port at Kherson was officially declared open in July 1901, and this seems also likely to be of importance, especially when the Odessa-Dzhankoi Railway, which is to pass through it, is completed. Next to Odessa the largest port is that of St. Petersburg, but here also, in spite of extensive improvements made during the last twenty years, there are great complaints of inadequacy. Thus Mr. Consul-General Michell, in his report on the Trade of the Consular District of St. Petersburg for the year 1901, states that "the accommodation for shipping at the port of St. Petersburg along its whole area, which includes, in addition to the new port (at Gutuyeff Island), a portion of the quays of the river, is so inadequate that the trade of this capital, both export and import, shows visible signs of decay and deviation to the lower Baltic ports—Reval, Riga, Libau—these latter ports offering, besides superior advantages for the

discharge, loading, and railway transport of cargoes to the interior of Russia, a longer duration of the navigation season." From Riga, Batum, and other important ports there are similar accounts of needed improvements now under consideration, or partially carried out.

A general plan for gradually improving the principal Russian ports was formed in 1883, and from 1885 to 1899 the Government granted £3,250,000 for this object, to which large sums have been added by every subsequent budget. In 1898 a Department of Commercial Navigation under the Ministry of Finance was created, and the administration of the seaports transferred to this department from that of the Ministry of the Interior, under which it remained until 1902. At the same time a reform of the dues on shipping was undertaken, and a new law dealing with this question received the Imperial sanction in June 1901. This law did for the ports what the Railway tariff had already done for the various railways, by introducing uniformity throughout the empire. By it all charges on goods and shipping were abolished (with the exception of charges for services, such as pilotage, or the use of special appliances), except two, which are levied in all Russian ports alike. "The first of these is a ship duty on all incoming and outgoing seagoing vessels, the other is a duty on goods, which is charged per pood according to a system of classifying the goods imported from or exported to foreign countries, and also on goods transported from one Russian port to another." Of the money thus raised, two-fifths were appropriated for the general resources of the Crown Treasury, and the other three-fifths were transferred to the special fund of the Ministry of Finance under the administration of the Committee of Port Affairs, by whom they could be distributed amongst the different ports for the purpose of carrying out improvements or defraying other expenses. In November 1902 a new Departmental Bureau of Shipping, Shipbuilding, and Harbours

was created, and the Grand Duke Alexander Mikhailovitch appointed as the first Director.[1]

When Russian statesmen first awoke to the importance of the shipping trade, they were confronted with the fact that all the imports and exports of their country were carried in foreign ships. The whole of the over-sea trade seemed to have passed irrecoverably out of Russian hands. A determined effort was nevertheless made to recapture it, and the coasting trade, as offering the line of least resistance, was selected as the starting point. This trade has always been to some extent a Russian industry, and in 1830 a law was promulgated by Nicholas I. restricting it entirely to Russian vessels, manned by Russian crews. The earliest measures for the encouragement of shipping date from the reign of Peter the Great, but it was not until the second half of the nineteenth century, when the development of Russian trade brought the question to the fore, that the Government took direct steps to organise a regular service of seagoing vessels. Its action took the form of subsidies granted to private companies, the oldest and most important of which is the Russian Steam Shipping and Trading Company, founded in 1856. The most recent contract between the Government and the company was concluded in 1891 for a period of fifteen years for regular voyages in the Black and Mediterranean Seas, with an annual subsidy amounting in the aggregate to £65,000. Its fleets now comprise sixty-nine steamers.

Second in importance comes the Volunteer Fleet, which owes its existence to the war preparations of 1878. The vessels then acquired were diverted, after the fear of war had passed, to the maintenance of commercial relations between Russia and her possessions in the Far East. The Volunteer Fleet has greatly aided in the transport of emigrants to Eastern Siberia, and at the present time maintains a regular fortnightly

[1] "Russia: its Industries and Trade," pp. 58-80. "Foreign Office Reports, Trade of St. Petersburg and Odessa." *Times*, April 27th, 1898; July 24th, 1899. *Daily Mail*, August 13th, 1901.

service with ports in the Pacific. It comprises thirteen first-class seagoing steamers and receives an annual subsidy of £63,000. In 1897 the term "coasting trade" was extended to include, not only as formerly service between ports in the same seas, but trade between Russian ports in different and distant seas. This was called the "greater coasting trade," and was restricted to vessels sailing under the Russian flag and manned by Russian subjects. The law was the first step towards the acquisition of a share in the general shipping trade of the world, for ships carrying cargo from the Baltic ports to Odessa, Dalny, or Vladivostok, having a part cargo for the whole journey, were able to take other goods destined for discharge at intermediate non-Russian ports.

Other Government measures for the encouragement of the home shipping trade are the repayment of Suez Canal duties, first granted in 1876 and in force until 1910, and the permission to import iron vessels, intended for external navigation, duty free up to the year 1908. The immediate result of this last enactment has been to afford a stimulus to the shipbuilding trade of Great Britain, which has supplied five large steamers of the value of some two millions sterling to the Volunteer Fleet alone. Our shipping trade, on the other hand, has already suffered from the competition of the Russian mercantile marine thus created and subsidised. When once the vessels are acquired Russia takes care to secure the profits of their working. In 1891 the tonnage of British shipping entering the port of Odessa was 136,126 tons; that of Russia was nearly as large, being 131,665 tons. The advantage to Great Britain was, however, less in reality than would appear from these figures, for 19,208 tons of British shipping coming to Odessa to get a cargo were obliged by the restrictions of the coasting trade to make the outward voyage empty. The tonnage of British shipping, even without this modification, shows a very serious falling off on that of previous years. In 1896 the total tonnage

(entered and cleared) was 769,820 tons, or over 50 per cent. of the whole trade of Odessa, while in 1901 the total British tonnage was 285,257 tons, or less than 25 per cent. of the whole.

The British tea trade in Ceylon has, however, profited by the operations of this so-called coasting trade. The subsidised companies were able to offer low freights, of which the Ceylon planters were not slow to take advantage, and a considerable quantity of their tea has lately entered Russia at Odessa, not only for consumption in Europe, but in transit for Central Asia *viâ* Batum and the Caspian. "Under the regulations by which the Khanate of Bokhara was included in the Russian customs zone, the duty on tea imported from India through Persia and Afghanistan was raised, while the same article if landed at the Russian port of Batum was passed on in transit without paying duty and was charged by the Bokhara customs house at less than one-third of the duty levied on teas entered for consumption at Batum." In 1901 the import of tea in transit at Odessa amounted to 16,121 tons.[1]

In 1898 further encouragement was extended to shipping by the creation of the Department of Commercial Navigation under the presidency of the Grand Duke Alexander Mikhailovitch, and since that date several new shipping enterprises have been undertaken. Among these may be mentioned the establishment of a regular service between Odessa and the Persian Gulf, and the purchase by the Mercantile Marine Department in July 1903 of the Black Sea and Danube Steamship Company. This line, which will now be known as the Russian Danube Steam Navigation Company, will receive an annual subsidy for ten years of 300,000 roubles. The latest enterprise is the establishment of

[1] In November 1903 Russia notified her intention of raising the duty on Indian and Ceylon teas, the reason given being that England had violated the Anglo-Russian Commercial Treaty of 1859 by her part in the Sugar Convention. Such an increase of duty will tell seriously against the Odessa trade.

a subsidised line, belonging to the Volunteer Fleet, between the Mediterranean ports and New York. The first vessel of the new service is expected to start in January 1904. The aim of the Volunteer Fleet in inaugurating the line is said to be one of broad general policy rather thân that of immediate profit. It will carry out the duty, with which the new Mercantile Marine Department was charged, of abolishing as far as possible the monopoly of the Russian shipping trade by foreign shipowners, and will show the Russian commercial flag outside the home waters. It is believed that the five large vessels of the Volunteer Fleet, which, owing to their peculiar construction, have proved unsuitable for the trade with the Far East, will be utilised for the American voyage. The total tonnage of the mercantile marine in 1901 was 601,000 tons, 55·5 per cent. of which were steamships.

The general carrying trade is shared by many different nations, among which Great Britain holds the first place both as regards the number of ships and tonnage, her proportion of the entire trade, reckoned in tonnage, being nearly one-half. Reckoned by the number of ships her proportion was 27½ per cent. in 1898 compared with 25·8 per cent. in 1802. The proportion of ships under the German flag was 26½ per cent. in 1802, but it had fallen in 1898 to only 11·8 per cent. The principal increase to be noted is in the number of Russian ships, which have increased from 7 per cent. in 1802 to 27 per cent. in 1898. A considerable recent falling off in British shipping is partly due to the fact that some British ships sail under the Norwegian flag, in order to profit by the lower rate of wages paid to Norwegian seamen and to escape the regulations of the Board of Trade. It has already been pointed out, however, that since the regulations of the "Greater Coasting Trade" came into force (1900) the proportion of British shipping at Odessa fell from over 50 to less than 25 per cent., and the returns from St. Petersburg-

Cronstadt show a similar decrease, the proportion in 1898 being 42·6 per cent. of the total tonnage, while in 1901 it had fallen to 31·1 per cent. The proportion of Russian shipping at the same port and during the same period rose from 5·3 to 8·6 per cent. The following tables show the volume of shipping at the various ports according to the sea on which they are situated, and also the growth of over-sea commerce during the nineteenth century:—

1. Tonnage of seagoing vessels arriving:

	1802.	1899.
In the Baltic Sea	418,092	3,573,914
Black and Azoff Seas . . .	73,204	4,863,784
White Sea	59,976	310,353
Caspian Sea	640	283,896
Total	551,912	9,031,947

2. Tonnage of goods carried by "Greater Coasting Trade":

	1889.	1895.	1899.
From White Sea to Baltic Sea	4,000	5,600	5,500
From Baltic Sea to White Sea	470	3,000	1,670
From Baltic Sea to Black and Azoff Seas .	11,000	22,600	28,050
From Black and Azoff Seas to White Sea .	1,150	—	1,150
From Black and Azoff Seas to Baltic Sea .	75,000	95,300	112,500
From Baltic Sea to East Siberia . .	2,400	22,450	5,600
From Black Sea to East Siberia . .	9,100	52,000	115,000
Total	103,120	200,950	269,470

3. Tonnage of goods carried by "Lesser Coasting Trade":

	1895.	1899.
In the Baltic Sea	562,387	748,742
In the Black and Azoff Seas .	2,727,420	2,997,709
In the White Sea . . .	46,113	97,887
In the Caspian Sea . . .	3,912,694	5,657,468
Total	7,248,614	9,501,806[1]

3. History of External Commerce

The commercial history of Russia falls into the same four divisions as her tariff system:—(1) from the beginning of the century till 1824 importation was prevented by duties so high as to be practically prohibitive; (2) from 1824 to 1850 import duties were high but not entirely prohibitive; (3) the tariffs of 1850, 1857, and 1867 brought a further lowering of import duties and marked the tendency towards free trade principles; (4) in 1877 a reaction set in, in favour of protection, which culminated in the tariff of 1891. The first period of entire prohibition marks the stage of isolation when Russia had little intercourse with Western Europe and nobles and peasants lived in wooden houses and were clothed in fabrics of home manufacture. The only imports were the few articles of luxury required by the court and the nobility resident in the large towns. No industrial class with interests of its own existed, and the high duties on imported goods were never felt to be burdensome. Increased communication with Western Europe gave the first impulse to economic progress. The growth of smuggling showed the Government that a lowering of the tariff would increase the revenue, and led to the diminished import duties in force from 1824 to 1850.

[1] "Russia: its Industries and Trade," pp. 64-6, 70-76. "Foreign Office Reports," Annual Series, Nos. 2343, p. 8; 2522, p. 9; 2709, pp. 12, 16; 2904, pp. 9-14; 3062, p. 25. *Times*, December 28th, 1898; June 14th, July 30th, 1902; January 13th, July 11th, November 27th, 30th, 1903.

During the third period the emancipation of the serfs took place. This measure placed a large amount of money in the hands of the nobles, some of which went to start railways, banks, and other commercial undertakings. It also gave increased purchasing power to the peasantry and set a number of peasants at liberty to find employment in industry. A separate class, with interests centred in commerce, thus arose, the condition of its existence being a tariff sufficient to exclude foreign competition, but it was not for some time in a position to make its interests override those of the powerful nobility.

By 1850 the landowners had become consumers of imported goods and exporters of grain, with interests all pointing in the direction of free trade. Under their influence were passed the tariffs of 1859 and 1861, permitting the importation of pig and cast iron, either at a very low duty or entirely free. The introduction of agricultural machinery and the construction of railways was thus rendered possible. The geographical distribution of industry in Russia forms an important factor in the history of its tariffs. Central Russia, the seat of many industries and especially of the great cotton trade of Moscow, has easy communication by means of the Volga with Nijni-Novgorod and the East: it can get its raw cotton from Asia, its fuel from the naphtha springs on the Caspian. The metal industries of the Urals, and the newly created iron industry of the Donetz and Dnieper district, also belong to the Volga river system and maintain a "national" and protective trade policy. Their competitors, the coast towns of the Baltic, Riga, and St. Petersburg, are dependent on imported coal, and their industry consists chiefly in the finishing of the half-manufactured goods they import. The conflict therefore was between the large landed interest and the northern manufacturers on the one side, and the small but compact group of Moscow manufacturers on the other.

The eighth decade of the century saw the gradual

triumph of Moscow, which, as being opposed to intercourse with Western Europe, was a victory for the National party. From the beginning of January 1877 the Government required all taxes to be paid in gold, this being equivalent to an increase of from 30 to 34 per cent. In 1881 the tariff was raised 10 per cent. for fiscal reasons, and in 1885 came a further rise of from 10 to 20 per cent., due to a desire for retaliation against Germany. The protectionists were, however, still far from the goal of their hopes. The reintroduction of duties on iron in 1880 was a step gained. Further duties on pig-iron were imposed in 1884 and 1887, with a corresponding increase in the duties on steel and machinery. The movement culminated in the tariff of 1891, in which the duties were made prohibitive. The distinction between pig-iron imported by sea and by land was aimed especially at the Polish iron industry which worked up Silesian pig-iron with Silesian coke. A general coal tariff was imposed in 1884 with a difference in favour of sea-borne coal which worked out to the benefit of the English and to the injury of the German import trade.

The result, as far as internal trade went, was to make Moscow, the centre of national or Slavophile ideas, the centre also of industry. According to Nicolai-on, during the three years 1886-8 general industrial profits rose 18 per cent. throughout the empire; while those of the Moscow cotton trade rose 133 per cent. The effect on external commerce was not entirely satisfactory even to the protectionists themselves, for, in spite of some exceptions in favour of agricultural machinery, the duties on iron raised the price of corn 1 rouble 85 kopeks per pood, and this at a time when the technical superiority of American farmers made even fractions of a kopek important.[1]

The duties imposed in 1891 have been maintained or increased up to the present time. In 1896 the duty

[1] Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 243-82. Issaieff, "Zur Politik des russischen Finanzministeriums," pp. 11-15.

was 7*s.* 8*d.* per ton on coal imported by the Black Sea, and 1*s.* 11*d.* on that imported by the Baltic and western frontier. The duty on cast-iron for the same year was about 56*s.* per ton. In 1894 the duty on cotton imported by sea was 15 kopeks (gold) less than the rate charged at overland custom houses. From that year the duties were equalised. This change, together with the raising of railway freights, caused an increase of the import by land frontiers, and hence American cotton has largely taken the place of Egyptian cotton imported *viâ* Odessa. In 1894 the duties on goods used in industries were 24 per cent. of the declared value of the imports, and on manufactured goods 32 per cent., while in 1898 the revenue obtained from customs duties reached the highest point yet attained. This increase of revenue does not, however, imply a corresponding increase of trade. The amount of imported goods has varied directly with the tariff. During the second period, when moderately high duties prevailed, the increase of foreign trade was 59 per cent., while during the third period the general trade of the country multiplied 4½ times, but during the fourth period, from 1875 to 1899, whilst the total foreign trade increased 10 per cent., the proportion of this increase due to imports decreased 8 per cent. The following table shows the average value of imports and exports per year during the four periods of the nineteenth century:—

Period.	Exports in thous. roubles.	Imports in thous. roubles.	Total in thous. roubles.	Percentage.
1800–24 . .	64,122	48,207	112,329	100
1824–49 . .	112,123	100,051	212,174	189
1850–74 . .	261,389	263,868	525,257	467
1875–99 . .	596,117	495,872	1,091,989	972

The effect of high tariffs on internal industry has been of doubtful benefit. The iron trade, which, especially in South Russia, employs large numbers of

people, was raised to the flourishing condition which it enjoyed in 1899 at the expense of the community in general. The price of cast-iron in Russia is three times higher than in England, but it might be sold at half its present price, if the market were not regulated by the price of imported iron, which has to bear a high duty and freight charges. The native consumer is thus obliged practically to pay a duty on all iron, whether imported or not. The object of the tariff is so to establish home industries that Russia will be able to supply all the wants of her own population without having recourse to foreign supplies. But the facts cited above have led Prof. von Schulze-Gävernitz and the school of economists to which he belongs to the conclusion that prohibition presents an obstacle, rather than a help, to the general development of the country. The same view is held by Mr. Consul-General Michell, who writes: "The present system of fostering manufactures by an abnormally high customs tariff may be regarded as a very costly, artificial method, having no sound foundation, and doomed to fall so soon as the artificial prop afforded by the tariff is withdrawn." While the high prices consequent upon the tariff remain there can be no large demand on the part of the masses for manufactured goods. The true method of promoting the well-being of the country lies, according to these economists, in the encouragement of agriculture. With a prosperous agricultural class the manufacturing era would commence in the course of natural evolution. The encouragement of agriculture implies an increase of the export trade in grain to Western Europe and the lowering of the tariff to admit western manufactures. The hope of the "National" party lies in the opposite direction—in the development of manufactures for which a market is to be found in the vast domains of Asiatic Russia and the adjacent countries. But, as Prof. von Schulze-Gävernitz points out, these regions are too poor, too backward in civilisation, and too unaccustomed to a money system

of exchange to become large consumers of manufactured goods. In his opinion Germany, Russia's nearest neighbour, offers the best market for her surplus natural produce. And at the present time Germany stands at the head of the countries which export to Russia, her percentage being 38·4 of the whole import trade.

Fifty years ago the first place was held by Great Britain, and in the opinion of Mr. Cooke, the British Commercial Agent in Russia, an opportunity now presents itself for England to regain her lost trade. Germany is putting up her tariff against Russian agricultural produce, which she has hitherto bought so largely, and Russia in 1901 raised her tariff against American machinery. "Taken together," wrote Mr. Montefiore Brice in *The Daily Mail*, "these causes are more than sufficient to induce Russia . . . to turn to the free and open markets of Great Britain." The same tendency is shown in the visits of Russian agriculturists to England during 1901. In September of that year, on the initiative of Prince Sherbatoff, President of the Russian Imperial Agricultural Society, seventeen Russian landowners and farmers visited London for the purpose of studying the methods in vogue there for distributing foreign agricultural produce. A second deputation of thirty-two members, including egg merchants and dairy experts, visited England in December. Commenting on these visits, the St. Petersburg *Novosti* says: "Any serious attempt to develop Russia's commercial relations with Great Britain is a matter for congratulation, as being both desirable and opportune. In the event of a customs war breaking out between Russia and Germany, the British market would become of the highest importance to Russia. British goods could take the place to a considerable extent of what Russia has hitherto received from Germany." And *The Financial Messenger*, the official organ of the Russian Ministry of Finance, stated that, if the German tariff bill of 1901 became law, the Russian Government would be bound to redress

the balance, by raising its tariff duties up to, and even beyond, the level of the tariff of 1891. The general question of the effect of the protective tariffs upon the agriculture, industry, and trade of Russia is considered at the conclusion of Chapter V., on Finance (see below, pp. 312-317).[1]

The tariff of 1891 was a high one on all imported goods, and in 1892 Germany refused to give to Russian cereals the reductions granted in the Caprivi treaties to Austria and other nations. The result was a new departure in Russian commercial policy. In the words of Mr. Consul-General Michell's report, dated August 16th, 1894: "Previously Russia had one uniform customs tariff applicable to all nations without distinction, but following the example of France, Germany, and Austria, she has now adopted the system of conventional tariffs, established on the basis of mutual concessions, while providing higher customs rates of duty to be applied to those countries which do not treat Russian merchandise on the most-favoured-nation footing. The latter rates exceed those under the former by 30, 20, and 15 per cent. The higher rates were by special Imperial Ukase first applied to Germany on July 25th last. A short time previously—viz., on June 17th, 1893—Russia concluded a commercial treaty with France under which Russian naphtha products (mineral oils, etc.) could be imported into France under lower rates of duty, and many articles of French origin and manufacture became liable to lower rates of duty on introduction into this country. It cannot be said that the concessions made to France in this respect were on a scale of any great magnitude, being, in fact, proportioned to the only diminution of duty on Russian products which France was still free to make under her tariff.

[1] "La Russie à la Fin du 19me Siècle," pp. 684-95. *Board of Trade Journal*, December 1901, pp. 540. *Daily Mail*, September 27th, December 10th, 1901, March 17th, 1902. *Weekly Times*, December 13th, 27th, 1901. Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 207-82.

"A war of tariffs having become established between Germany and Russia, the former imposing high differential rates of duty on Russian agricultural and other produce, the latter followed suit by applying her highest customs tariff rates to German goods and laying heavy toll in the form of differential rates on German vessels in her ports. The tension between the two countries began to assume a very grave aspect, and this was at last removed by the conclusion of a commercial treaty between the two countries, the negotiations under which, however, were somewhat protracted. Both sides arrived at an understanding by mutual concessions in the rates of their respective customs tariffs. Germany reduced her rates on Russian cereals and agricultural produce, and Russia diminished her duties on German raw and manufactured goods, these diminutions being, however, mostly under rates which had been established for fiscal purposes, and only to a comparatively small extent under the rates of a purely protective character. Great Britain imposing no differential rates of duty on Russian produce, shares all benefits accorded to France and Germany by Russia under the above treaties."

The commercial treaty with Germany was concluded on February 10th, 1894, and in May of the same year a commercial convention in the form of a most-favoured-nation agreement without tariff concessions was entered into between Russia and Austria-Hungary. Both of these agreements expire on December 31st, 1903, and the new commercial relations to be entered upon by Germany and Russia have, for some time past, formed the subject of much discussion in both countries, as well as of important negotiations between them The trade between the two countries is of great importance to both, but rather less so probably to Germany than to Russia, for owing to the development of German trade in other markets a smaller percentage of its total is now carried on with Russia than used to be the case, whereas from the point of view of Russian trade, the

proportion of that with Germany is increasing. The percentages of German trade with Russia between 1897 and 1902 have been as follows :—

	1897.	1898.	1899.	1900.	1901.	1902.
Imports into Germany	14.4	13·4	12·1	11·9	12·5	13·1
Exports from Germany	9·1	10·2	9·1	6·8	7·1	7·1

The percentages of Russian trade with Germany during the same period have been the following :—

	1897.	1898.	1899.	1900.	1901.	1902.
Imports into Russia .	32.2	35·9	38·8	37·6	38·2	38·4
Exports from Russia .	24.9	25·2	27·1	27·2	24·6	24·6

In view of the approaching termination of this and other commercial treaties, a new German tariff was drawn up in 1901, which raised the duties on some Russian goods, especially on grain. The new *minimum* duties on grain were made almost equal to the *maximum* duties formerly imposed on grain from countries which had no commercial treaty with Germany. Commenting upon this tariff, the *Novoe Vremya* of August 11th, 1901, pointed out that, "as the importation into Germany of Russian goods exceeds by nearly 60 per cent. the importation of German goods into Russia, it would appear that the injury resulting from reprisals in the event of a tariff war would weigh more heavily on Russia than on Germany, but in reality the difference would be counterbalanced by the fact that Germany could not do without Russian rye and barley," whereas "Russia is able to dispense with nearly all the articles imported from Germany . . . by purchasing them from other countries." The Berlin papers, on the other hand, point out that the market for rye outside the Russian frontiers is limited, and that Germany takes about half

of this Russian export.[1] In January 1903 the draft of a new general customs tariff for the European frontiers of Russia was presented to the Tsar for confirmation, but no date fixed at which it should come into force. This tariff increases the duties on many manufactured articles, including some of the chief imports from Germany, and differentiates between sea-borne goods and those entering by land, to the disadvantage of the latter, a blow clearly aimed at Germany. Both countries are in fact preparing for another tariff war, although it is hoped that this will be averted by the negotiations which have been proceeding since the summer of 1903, and the conclusion of which was expressly left in M. de Witte's hands when he resigned the Ministry of Finance. *The Times* Berlin correspondent, writing on December 1st, 1903, stated that he had good authority for believing "that there can be very little doubt regarding the ultimate conclusion of a treaty with Russia on the general basis of the new German tariff, although the negotiations may still take some time and may involve considerable and somewhat unexpected concessions on the German side."

The trade between Russia and Great Britain is still regulated by the commercial treaty of 1859, which secured to both countries the most-favoured-nation treatment. Under this treaty Great Britain has profited by the special concessions made to Germany and other countries, but obtains no concessions with regard to other imports. The import duties levied upon the principal articles of British export by Russia are far higher than those levied in other countries, amounting on an average to 131 per cent. *ad valorem*, whilst in the United States, where the tariff is the next highest, they amount to 73 per cent. The volume of trade between Russia and the United Kingdom has been steadily

[1] In a telegram from *The Times* correspondent at Berlin, dated December 29th, 1903, it was stated that the imports of Russian grain into Germany had largely increased during 1903. "Germany derives from Russia 36 to 37 per cent. of her imported wheat, 89 per cent. of her imported rye, 88 per cent. of her imported oats, and 70 to 71 per cent. of her imported barley."

diminishing during recent years, the decrease having chiefly occurred in the imports from the United Kingdom into Russia. The percentages of the total amount of Russian trade due to commerce with the United Kingdom have been as follows, during periods of five years between 1885 and 1899, and in each year from 1897 to 1902:—

	1885-9.	1890-94.	1895-9.
Imports into Russia .	25·0	24·0	20·6
Exports from Russia	33·9	26·4	22·4

	1897.	1898.	1899.	1900.	1901.	1902.
Imports into Russia .	18·6	20·2	21·8	22·3	19·7	18·8
Exports from Russia .	21·4	19·8	21·4	21·1	21·4	22·8

The actual values of the imports into and exports from Russia, from and to the United Kingdom, were as follows:—

Year.	Imports into Russia.	Exports from Russia.
	£	£
1890	5,751,601	23,750,868
1891	5,407,402	24,110,251
1892	5,357,081	15,122,677
1893	6,372,340	18,574,565
1894	6,884,574	23,598,748
1895	7,004,584	24,736,919
1896	7,185,185	22,677,443
1897	7,513,165	22,284,365
1898	9,227,968	19,489,514
1899	11,115,483	18,711,168
1900	10,685,226	21,983,952
1901	8,426,894	21,903,574
1902	8,136,534	25,673,958

From this table it will be seen that the British imports into Russia after 1890 grew with the growth

of industrial prosperity within the country up to 1899, but have fallen off during the last three years of depression of trade in Russia. Exports from Russia to the United Kingdom, on the other hand, have fluctuated with the harvests. The years 1891 and 1892 were famine years, and during the second the exportation of wheat was forbidden. Russian exports to the United Kingdom fell in consequence from £24,000,000, to £15,000,000. In 1898 and 1899 again there were serious failures of the crops, with a consequent diminution of exports to the United Kingdom. The harvest of 1902 was an unusually abundant one, and there was a large rise in the exports to the United Kingdom, occurring "under the heads of wheat, rye, barley, millet, and other grain products, eggs, game, and poultry, raw sugar, timber goods, linseed, bristles, manganese ore, naphtha and its products, manufactured goods, and various raw and half-manufactured materials. Of some articles, however, diminished quantities were exported to the United Kingdom; these were oats, flax, codilla, hemp, peltry, wool, and platinum."

The articles which were imported into Russia from the United Kingdom in smaller quantities in 1902 than in the preceding year were "tea, cotton-yarn, coffee, coal and coke, bricks and tiles, cast-iron (raw and worked), iron and steel (assorted and worked), steel plates, tin, lead, zinc, machinery, wire (worked), steamships, manufactured goods of cotton. On the other hand, there was some increase in the importation from the United Kingdom of cotton, spices, rice, raw wool and jute, dye stuffs, copper and woollen goods, the latter, however, only to a very small extent." Mr. Michell considers that when "the diminished purchasing power of the country at large, attributable to its unsatisfactory economic condition, especially to that of the agricultural class of the population," is taken into account, it is satisfactory that the falling off in the British imports was not larger in 1902 than was the case, but he adds: "This consolation, however, is somewhat neutralised

by the fact that, while British imports into Russia declined, those of Germany, in spite of the adverse condition referred to, again exhibited augmentation."[1]

4. The Sugar Trade

The recent Conferences at Brussels on the sugar trade open up such new possibilities in regard to the international treatment of trade questions, and at the same time appear likely to have such an important effect upon the commercial relations of Russia and Great Britain, that they require special consideration. Between the years 1887 and 1895 the sugar trade in Russia was in the hands of a syndicate of manufacturers, which controlled nearly the whole industry, but after the sugar crisis of 1894-5, this syndicate requested the Government to intervene, and the State accordingly assumed the direct control of the trade. The method adopted is thus described by M. Yves Guyot: "The Council of Ministers fixes every year the probable sugar consumption of the country. This quantity is divided between the various factories according to their average output, and all sugar manufactured beyond the stated quantity will have to pay, in addition to the actual excise duty of 1 rouble 75 kopeks per pood, a surtax equal to that duty, a deduction of 60,000 poods being made in favour of each mill. In other words, the sugar produced in excess of the quantity required, stated by the Government, pays twice the amount of the excise. Each manufacturing or refining firm must have a certain compulsory amount of stock, fixed for each season by the Council of Ministers, and this stock the owners may not dispose of, except on receipt of an ordinance from the Minister of Finance. This stock, kept for the home markets, shall only be

[1] "Foreign Office Reports," Foreign Commerce of Russia for the years 1893-1902.—"Board of Trade Report on British and Foreign Trade and Industrial Condition" (Cd. 1761). *Times*, October 27th, 1903. Compare Appendices 1 and 8.

used when the price of sugar in the Russian market has gone beyond a certain limit, fixed likewise by the Minister of Finance. It will not be subject to a surtax. When the sugar is exported the excise duty and the surtax on the surplus production will be refunded. But the surtax on the surplus quantity is never reimbursed if the sugar is sold for home consumption. The manufacturer cannot possibly sell his surplus sugar for home consumption, because he would have to pay a duty of 3·50 roubles per pood. . . . This means therefore compulsory exportation. . . . No manufacturer knows in advance how many poods he will be able to sell to the home market beyond the fixed allowance of 60,000 poods granted to each factory. The quantity will be determined by comparing each factory's total production with that of other firms. Thus it is to the interest of each manufacturer to increase his output," for the high price maintained in Russia yields a large profit on all sugar sold at home, and for the sake of this, he can sell the surplus sugar below cost price to foreign markets. The system does therefore, in fact though not in name, constitute an export bounty.

In 1898 a representative of the Russian Government took part in the Sugar Conference at Brussels, where he maintained that Russia gave no bounties direct or indirect, and assured the Conference that his Government had no intention of modifying its customs tariff or its internal fiscal arrangements with regard to sugar. The negotiations in consequence fell through, and the United States soon afterwards imposed countervailing duties on Russian sugar, and was followed in this by India. Russia replied by imposing the maximum duty on some important classes of American goods. The adjourned Sugar Conference met again at Brussels in December 1901, and on this occasion Russia declined to send a representative, giving as a reason that she was not concerned in any way, as she does not promote the export of sugar by direct or indirect bounties. In May 1902 a Convention was signed at Brussels by the

delegates of Great Britain, Germany, Austria-Hungary, Belgium, Spain, France, Italy, the Netherlands, and Sweden. By this Convention the surtax on sugar (or excess of the import duty over the excise duty) is limited to about 2*s.* 5*d.* per cwt. for refined sugar, and the High Contracting Parties undertake to impose a special duty on the importation into their respective countries of sugar from countries that grant bounties either on production or export.

As in Russia the surtax amounts to no less than 27*s.* 11*d.* per cwt., she was clearly affected by this agreement, and in July 1902 M. de Witte issued a protest in the form of a Note addressed to the contracting powers. In this he appealed to the Governments of these countries not to impose upon Russian sugar the penalties they had agreed to impose upon the bounty-fed article, since all that the Russian Government does "is to regulate the amount sold on the home market in order, on the one hand, to obviate the evils of over-production, and, on the other, gradually to lessen the cost of production and thus to increase its consumption in Russia." But from appeal he passed on to threats, by affirming that, even if Russian sugar were bounty-fed, the action proposed by the Convention would be a breach of the commercial treaties, under which Russia enjoys most-favoured-nation rights in many countries. Lastly, M. de Witte stated that if the Russian system could be shown to interfere with the natural development of competition, his Government would be willing to confer with other Powers, on the condition that the Conference should deal with all other products as well as sugar, and with all indirect measures, such as the giving of premiums or the regulation of production, and the action of syndicates of various kinds tolerated or protected by Governments. The field thus suggested for discussion was so vast and complicated that it was difficult to believe that M. de Witte's proposal was serious, and no inclination to accept it was shown by the Powers addressed.

On November 28th, 1902, *The Official Messenger* of St. Petersburg stated that the only reply to the Note so far received had been from Great Britain. This reply, dated July 30th, expressed regret that Russia had not joined in the Conference, and the hope that she might still signify her adherence to the Convention. It pointed out "that, according to Article 7 of the Brussels Convention, England declared herself agreeable to the formation of an international commission which, among other things, should be empowered to determine whether bounties existed in States which had not signed the Convention. Therefore, if Russia did not adhere to the Convention, England would impose a retaliatory duty on Russian sugar, if the international commission were constituted and if it recognised the existence of a sugar bounty in Russia. This step was entirely in accordance with the Russo-British Commercial Treaty of 1859. The Russian Government replied to this communication in September. Russia begins by pointing out that she must regard the imposition by Great Britain of countervailing duties on her sugar as an infringement of the Commercial Treaty between the two Powers, and appeals in proof of this contention to paragraph 2 of the Treaty, and to various other reasons which she adduces. . . . For Russia the question of exportation of sugar to those countries, which sought to carry the Brussels Convention into effect, was not of great moment, as the export of sugar to those countries was unimportant. The Russian Government, however, regarded the actual infringement of the Commercial Treaty as a very dangerous precedent for the regulated development of international relations between foreign nations." On August 11th, 1903, an Order in Council declared that the international commission had reported "that a bounty on the exportation of sugars is granted in Denmark, Russia, and the Argentine Republic," and that in consequence all sugar from these countries "shall (except in transit) be prohibited to be imported

or brought into the United Kingdom." In September 1903 Russia took her first retaliatory step by notifying her intention of levying an increased duty on Indian and Ceylon tea.[1]

5. Present Position of External Commerce

The principal articles of Russia's export trade are divided by the customs returns into four groups: (1) foodstuffs, (2) raw and half-manufactured material, (3) animals, (4) manufactured goods. The following table shows the relative proportions of the four groups at the beginning and end of the nineteenth century:—

	Exports.		Imports.	
	1802-4.	1896-8.	1802-4.	1896-8.
Foodstuffs	19·4	58·2	39·0	17·3
Raw and half-manufactured material .	70·1	35·5	24·0	52·7
Animals	2·1	2·3	1·8	·6
Manufactured goods	8·4	4·0	35·2	29·4
	100·0	100·0	100·0	100·0

It will be noticed that the chief increase in exports is in foodstuffs; in imports, in raw material. These facts show that agricultural and industrial production have both increased within the century. The articles, which formed the chief staples of exportation at the beginning of the century, continue to be exported, and in much larger quantities. Cereals, which in 1802 were exported to the value of 13,354,000 roubles, in 1898 reached 370,912,000 roubles, forming more than one-half of the whole export.

The total quantity of breadstuffs of all kinds exported during the year 1902, compared with the average export for 1891-5, was as follows:—

[1] "The Sugar Question in 1901," Yves Guyot, pp. 32-7. *Times*, July 7th, July 10th, November 29th, 1902; August 13th, 1903. *Westminster Gazette*, September 28th, 1903. Compare Appendix I.

	1902.	1891-5. Average.
	Cwts.	Cwts.
Wheat	59,723,678	54,989,485
Rye	31,570,714	18,360,714
Barley	33,467,143	29,713,693
Oats	20,350,607	18,244,013
Buckwheat	606,536	469,200
Millet	353,893	336,149
Maize	22,000,178	9,616,085
Peas	1,983,214	2,057,850
Beans and lentils . . .	1,701,964	769,049
Groats, buckwheat, etc.. .	245,250	243,000
Groats, millet . . .	66,214	46,800
Rice, whole and crushed .	2,893	3,086
Flour, wheaten . . .	1,014,750	1,011,985
Flour, rye	3,224,893	1,273,743
Flour, all other except potato	71,036	28,864
Bran of all kinds . . .	9,612,643	4,321,156
Other grain products . .	83,893	32,521
Total	186,079,499	141,517,393

But though wheat forms so large a proportion of the total export of grain, the proportion which it holds in the wheat supply of the world is only one-seventh. Russia therefore has to meet the very serious competition of other wheat-producing countries, and to sell her wheat at prices determined by international considerations and not simply by the quality of her own harvests. With rye, barley, and oats, the case is different ; Russia produces one-half of the total world supply of these grains, and can therefore maintain a predominating influence in the world's markets. The export of flax, seeds, timber, bristles, and animals, has also largely increased. Furs show a small increase. A large number of articles not exported at all in 1802 are now the objects of a considerable trade ; among the chief are naphtha, sugar, oil-cake, cotton goods, butter, and eggs. The export of eggs is becoming every year of greater importance ; in 1902 the number exceeded two thousand millions and the value was over £4,000,000. The export of butter in the same year reached 37,242 tons.

Turning to imports, we find that the increase of manu-

facturing industry within the country has diminished the proportion of manufactured goods imported. The actual quantity has largely increased, though here too the influence of industrial development is traceable, for the goods imported are mainly auxiliary articles, necessary to the extension of industry, rather than things destined for direct consumption. The import of cotton fabrics, for instance, has fallen from 8,864,000 roubles in 1802 to £416,181 (4,161,810 roubles) in 1902, while the importation of machinery, tools, dye-stuffs, etc., has very largely increased. The general industrial depression of the last three years has, however, had a marked effect on this branch of imports. The customs returns for 1902 show a noticeable falling off in the importation of coal, coke, cast and wrought iron, steel and machinery, *i.e.*, the staple requirements of all industrial works, so that at the present moment, at any rate, the diminution in imports is due, not to the development, but to the decline, of native manufacturing industry. The quantity of tea consumed (and therefore imported, as the tea gardens of Baku have not advanced beyond the experimental stage) now amounts to nearly one pound per head of the population, a quantity which compares favourably with the one-twentieth of a pound at the beginning of the century, but is still far behind the consumption of other countries, especially that of the United Kingdom, which is nearly seven pounds per head. The importation of raw cotton has increased in value from 1,386,000 roubles to £6,576,848 (65,768,480 roubles), and cotton yarn, which in 1802 was not imported at all, now reaches a value of £412,356 (4,123,560 roubles). Woollen yarn, not imported in 1802, is now valued at £1,674,712 (16,747,120 roubles); other articles not imported in 1802, but the import of which has now become considerable, are metal goods, seeds, hides, raw and worked, steel, tallow, and animals. Among articles now imported in greater quantities than formerly are colours, fruits and nuts, silk, fish, wines and spirits. The total value of exports and imports

for the years 1898-1902 is shown in the following table:—

EXPORTS.

Year.	Foodstuffs.	Raw and half-manufactured materials.	Animals.	Manufactured articles.	Total.
	£	£	£	£	£
1898 . .	46,049,918	25,328,512	1,790,206	2,151,881	75,320,517
1899 . .	33,690,600	26,554,000	1,833,343	1,844,500	63,922,443
1900 . .	40,504,650	28,682,000	1,901,000	2,071,000	73,520,000
1901 . .	45,793,750	27,253,125	2,146,250	2,326,875	77,520,000
1902 . .	55,906,519	27,439,807	2,292,662	2,046,693	87,685,681

IMPORTS.

Year.	Foodstuffs.	Raw and half-manufactured materials.	Animals.	Manufactured articles.	Total.
	£	£	£	£	£
1898 . .	7,418,375	32,098,019	160,544	20,037,368	59,714,306
1899 . .	7,803,106	32,021,200	191,462	23,147,200	63,162,968
1900 . .	8,476,627	32,361,518	120,700	19,868,855	60,827,700
1901 . .	8,850,625	30,260,000	148,750	16,341,250	55,600,625
1902 . .	8,649,706	31,395,069	149,068	15,810,000	56,003,843

Exportation from Russia takes place from both its eastern and western frontiers, the latter being in this respect by far the most important. In 1898 86 per cent. of the total export trade belonged to the western frontier, 10 per cent. to the Asiatic frontier, and 4 per, cent. to Finland. The total foreign trade of Russia on the European frontier, including the Caucasus and Finland, in 1901 was £133,000,000, and in 1902 £148,000,000. The volume of trade in proportion to the population is very small, being only about 20*s.* 6*d.* per head, and it remains small because it is hampered by the excessive import duties. At the beginning of the nineteenth century 88 per cent. of all the goods exported were sent by sea and only 12 per cent. by land; by the close of the century the pro-

portion conveyed by land had increased to 27 per cent.[1]

It is difficult to ascertain precisely from official sources to what countries Russian exports are sent, because the customs officials never require the true country of destination; they simply register the port to which the bill of lading is directed. Thus large quantities of corn which are despatched to Holland are really consumed in Belgium, Germany, and Switzerland. With this last-mentioned country Russia has no direct commerce, but this does not prevent very large quantities of Russian grain from being annually consumed there. Subject to these modifications, the following table, compiled from Foreign Office Reports, represents roughly the value of the exports and imports of European Russia in the years 1897 and 1902:—

	Imports.		Exports.	
	1897.	1902.	1897.	1902.
	£	£	£	£
Germany	19,109,593	21,556,637	18,621,056	21,632,075
United Kingdom	10,839,290	10,551,368	16,033,975	20,057,343
Austria-Hungary	2,050,412	2,497,512	4,153,418	3,793,231
France	2,622,144	2,792,675	6,288,112	5,860,537
Belgium	2,660,181	739,818	3,475,650	3,021,112
Italy	1,121,893	978,881	3,343,793	5,194,031
Switzerland	503,731	710,600	—	—
Turkey	593,406	691,687	1,347,887	1,629,662
Netherlands	1,622,944	1,204,556	9,271,056	10,945,131
Sweden	432,863	369,325	938,400	1,140,168
Norway	571,306	543,150	654,712	664,062
Denmark	200,175	453,475	991,737	2,957,575
United States of America	5,108,500	4,159,687	287,618	468,881
Egypt	2,559,669	1,602,462	617,950	721,650
China	1,469,225	2,066,137	107,100	100,300
India	518,500	1,082,687	203,570	596,912
Roumania	143,650	163,731	1,160,887	1,570,587
Finland	1,849,706	2,409,856	3,233,400	4,040,687
Other countries	1,154,319	1,429,593	3,196,743	3,291,731

[1] "La Russie à la Fin du 19me Siècle," pp. 689-92, 695-700, 728-38. "Statesman's Year-book," 1901, p. 1005; 1902, p. 1016. "Foreign Office Reports," Annual Series, No. 2343, p. 31; Nos. 2860, p. 34; No. 3062, pp. 19, 20, 26.

Germany heads the list in the foreign trade of Russia; in 1902 she exported to Russia products to the value of over twenty-one and a half millions sterling, while the United Kingdom made a bad second with less than eleven millions, the former being more than 38 and the latter less than 19 per cent. of the total imports. As regards imports, Germany takes 24·61 per cent. of the total of Russian exports, compared with the 22·8 per cent. taken by the United Kingdom. "No one," writes H.M. Consul at Kieff, "acquainted with the trade of both countries would deny that since the passing of the treaty of 1894 Germany has reaped a rich harvest in her trade with Russia." Some 29 per cent. of the grain now imported into Great Britain comes from Russia. In 1902 the quantity of Russian wheat imported was 370,209 tons, and of Russian oats 515,145 tons. A still larger quantity of Russian grain goes to Germany, which imported in 1897 an average quantity of some 2,408,820 tons for home consumption alone, of which 700,000 tons were wheat, 700,000 tons rye, 300,000 tons oats, and 500,000 tons barley. Russia sends to

Italy . .	11,000,000 cwt. of grain, of which 94 per cent. is wheat.
France . .	10,000,000 cwt. of grain, of which 49 per cent. is wheat.
Switzerland .	6,000,000 cwt. of grain, of which 80 per cent. is wheat.
Belgium . .	5,000,000 cwt. of grain, of which 40 per cent. is wheat.

The other principal foodstuffs exported are eggs, sugar, and butter. Russian eggs find their best market in Germany (36 per cent.); they are sent also to Austria (29 per cent.), and to England (22 per cent.). Russian sugar is chiefly exported to Persia (49,000 tons in 1900), and in small quantities to Italy, Finland, and to Germany for re-exportation to England. Butter goes to Germany (27 per cent.), to England (23 per cent.), to Turkey (20 per cent.), and to France (15 per cent.), Caviare is sent to Turkey (52 per cent.), to Roumania, Greece, and Germany. Russia's principal markets for raw materials other than foodstuffs, and for half-manufactured goods, are Germany and England; then

come France, Austria-Hungary, Belgium, and Holland; 88 per cent. of its forest products are sent to England, 35 per cent. to Germany. Flax, which is exported to the value of £5,523,393 goes to England (31 per cent.), France (28 per cent.), and Germany (18 per cent.). England and Holland are the largest importers of oil-producing seeds. Oilcake goes chiefly to Germany (32 per cent.), France, England, and Denmark. Naphtha and its products, which are exported to the value of £3,591,581, go chiefly to England (30 per cent.), France (24 per cent.), and in smaller quantities to Austria, Belgium, and Germany.

Among the articles of import into Russia, foodstuffs hold a small place, being only 17 per cent. of the total imports. Of these tea stands first in value, and comes almost entirely from China (82 per cent.), though the trade in Ceylon tea, which is mixed by the dealers with tea from China, has greatly increased. Fruits and vegetables, which stand next, come from Persia, Turkey, and Greece. Other articles of food, such as coffee and spices, though they come to Russia by way of England, are of course Eastern products.

Thus it will be seen that while Russia looks mainly to the East for the supply of imported foodstuffs, it is the Western world that supplies her with all the necessaries of her industrial life. Her chief import is raw cotton, 59 per cent. of which comes from the United States, 27 per cent. from Egypt, and only 7 per cent. from Persia. Cotton yarn is imported, though only to the value of £412,356, from England and Germany. Coal and coke come chiefly from England (70 per cent.), and Germany (21 per cent.); and, in spite of the rapid extension of the native coal industry, the import from abroad continually increased until three years ago, since when it has fallen off. In 1887 the import of coal and coke was only some one million tons, while in 1900 it had reached nearly four and a half millions. The import of pig-iron is still large, in spite of years of prohibitive tariffs and great efforts to foster a native

industry. In 1898, 109,189 tons of pig-iron and 309,781 tons of iron ore were imported, and during the three years 1897-9 a considerable rise took place in the import of cast-iron goods, iron and steel goods, and especially in machinery, the latter rising from 114,510 tons to 200,274 tons. The latest figures, 1900-1902, however, show a decrease of metal goods, owing mainly to the crisis through which the iron industry has been passing. Iron ore, cast-iron, steel, and copper are imported chiefly from Germany (41 per cent.), and from England to the extent of 21 per cent. Of the machinery imported, 49 per cent. comes from Germany, 27 per cent. from England, and 6 per cent. from the United States. At the beginning of the nineteenth century the foreign trade of Russia was carried on chiefly with Great Britain, secondly with Germany, and thirdly with France: at the end of the century Germany and England had changed places, while France stood third as before. The Russian returns for the last fifty years show that Russian trade with Germany has increased 11½ times, with the United States 6½ times, with Austria, Sweden and Norway 5½ times, with Holland 5, with Italy 4, with France 3, with England and China 2½, and with Turkey 1½ times.

For years past our consuls in every part of Russia have been pointing out the growing importance of German trade, and this they ascribe, not merely to geographical proximity and treaty advantages, but very largely also to the fact that Germany sends to Russia a large number of agents and travellers, who speak at least two languages besides German, and that German firms give credit instead of demanding "cash on delivery," and that they study the wants and tastes of their customers, and quote their goods in kilos and roubles. The competition of the United States is also becoming stronger year by year and is more dangerous to England than that of Germany, because the articles imported from the United States are those which were formerly

considered British specialities, such as hardware and agricultural implements. "To maintain and improve the present British position," wrote Mr. Consul-General Michell in 1901, "the first and most important condition is the employment of properly qualified and energetic agents and travellers, who, for a good commission, would push British goods to the greatest extent possible. This is . . . the real key to the whole position of British trade in Russia." But commercial treaties have also a most important influence, and the new general customs, tariff in Russia, promulgated in January 1902, has a very serious significance for British interests. "In the absence of a specific agreement with Russia respecting the rates of duty imposable on British goods on their importation into this country, the United Kingdom is obliged to depend entirely on the most-favoured-nation clause of her treaty in order to secure, so far as possible, for her goods the same advantages which Germany especially enjoys for her own in virtue of concessions made to and received from Russia in the matter of customs rates levied on their respective productions when imported into each other's country."

But as we export to Russia many articles which are not produced and exported by Germany, the most-favoured-nation clause of our treaty becomes inoperative where German interests are not concerned. Besides this disadvantage, which will continue under the new customs tariff to be negotiated between Germany and Russia, Mr. Michell thinks that the new Russian tariff may strike a heavy blow at British imports through the distinction made in it between goods imported by land and by sea. It is true that this is apparently an advantage to British trade, since the duties imposed on goods imported by land are heavier than those on sea-borne goods, but on many groups of goods the duties are increased both by sea and land. Moreover, Mr. Michell points out that probably "the Germans, when negotiating a new treaty with Russia, will endeavour to obtain a modification of these differential duties in their

own favour, and they will at the same time sacrifice points of comparatively minor importance to themselves by leaving them unchallenged for the more important object of placing their British competitors at a still greater disadvantage under the higher rates to be imposed on seaborne goods under the general tariff." [1]

[1] "La Russie à la Fin du 19me Siècle," pp. 701-18. "Foreign Office Reports," Nos. 555, pp. 29, 43; 2343, pp. 5, 7, 52, 53; 2904, pp. 24-8; 2860, p. 9; 3062, pp. 14-16. "Statesman's Year-book," 1901, p. 1008; 1903, p. 1039. *Weekly Times*, December 13th, 1901. See also Appendix 8.

CHAPTER V

FINANCE

1. Recent History of Finance : (*a*) Currency ; (*b*) Banks ; (*c*) Bank of Russia ; (*d*) National Debt.—2. Analysis of the Budget : (*a*) Budget of 1903 ; (*b*) Revenue ; (*c*) Expenditure ; (*d*) Extraordinary Revenue.—3. Railways : (*a*) Development of Railway System ; (*b*) Criticisms of Railway Finance ; (*c*) General Railway Policy.—4. Spirits Monopoly : (*a*) Previous Systems : (*b*) Present System ; (*c*) Results.—5. General Criticisms of Budget, etc. ; (*a*) Difficulty of Analysing Budgets ; (*b*) Errors of Statement.—6. General Financial Policy : (*a*) Indirect Taxation ; (*b*) Effect on Trade and Agriculture.

1. Recent History of Finance

Until quite recent years the currency laws in Russia rested upon the foundation laid by the Ukase of 1810, which made the silver rouble the true unit of monetary value. Paper money, which had first been introduced into Russia in 1769, was at that time circulating in large quantities, but at a greatly depreciated value. An attempt was now made to limit the issue of paper money, and a Ukase in 1812 fixed a rate of exchange considerably below the face value of the notes. Fresh issues of paper money were, however, rendered necessary by the drain upon the country of successive wars, and the amount in circulation in 1817 was larger than ever before. During the peace which followed a considerable portion of this was gradually withdrawn, but the paper currency was so much depreciated that, when the Finance Minister, Count Kankrin, fixed the legal rate of exchange in 1839, he made one silver rouble equal 3½ paper roubles. At the same time, he substituted for the old assignats credit notes, which were

exchangeable for coin. From 1843 to 1856 the silver rouble was both actually and nominally the unit of monetary value and the only form of legal tender, for which the holders of credit notes could claim to have them exchanged. During the Crimean War, however, the convertibility of paper money into coin ceased, and was not again resumed, and the credit rouble became the actual monetary unit, although the silver rouble remained the nominal one. Owing to the depreciation of silver upon the international market between 1870 and 1880, the exchange value in gold of the silver rouble fell even lower than that of the credit rouble, and in consequence the Russian Government was obliged to limit the issue of silver coin, and silver ceased to be of financial importance. The gold rouble had never been more than token money, although the Government had from time to time regulated its intrinsic value with the view of bringing it into correlation with international values.

The value of gold was, however, considerably under-estimated until the law of 1885, which fixed the weight and fineness of the half-imperial in such a way that its exchange value in the international market was almost identical with that of the 20-franc piece. Meanwhile the country suffered from all the inconveniences of a paper currency, the inevitable fluctuations in value of which were intensified to an extraordinary degree by the action of speculators, especially on the Berlin Bourse. "In February 1888 the rouble was quoted in London at 19 pence, in September 1890 it sprang suddenly to 31 pence, and by December 1891 it had again fallen to 21 pence. Between 1877 and 1896 the highest and lowest rates in London and New York respectively were," as Mr. Henry Norman tells us, "2s. 9d. and 1s. 7d., and 67 cents and 38 cents." It was evident that, in order to establish the Russian financial system upon a firm basis, two reforms were necessary—to secure the stability of the rouble and to introduce a gold standard, and both of these were

carried out by M. de Witte soon after he entered upon the office of Minister of Finance in 1893. The preparatory steps necessary for these reforms had, however, been taken by his predecessor, M. Vishnigradski, who from 1886 onwards had directed his policy to forming large reserves of gold within the country. With this object he exercised great economy in the administration of the Government without diminishing the amount of taxation, so that the budget for nearly every year showed a surplus, which was paid into the State Bank, and at the same time loans from abroad were made as far as possible in gold. He succeeded so well that, whilst at the end of 1886 there were 55,733,004 gold roubles at the disposal of the Imperial Treasury, at the end of 1893 there were 236,248,745. This large reserve did not depend upon an increased issue of paper money, for this had been actually diminished since the Turco-Russian War; so that the credit notes in circulation in 1895 amounted to 1,121,000,000 roubles, whilst in 1880 they had amounted to 1,162,000,000. The gold rouble and the paper rouble had no direct correlation with one another, for the paper rouble still nominally represented the silver rouble (though in reality its value was a constantly varying one, reckoned in gold upon the international market), whilst the gold rouble maintained a constant value of 324 German *Reichspfennige.* Apart from fluctuations, however, the average value of the paper rouble between 1884 and 1895 was about 216 German *Reichspfennige,* and the Finance Committee which sat in 1887 laid down the ratio of 1 to 1½ as the relative value of paper and gold roubles, but failed to secure its legal adoption.

M. de Witte's first act on taking office was to deal with speculation in the value of the rouble upon the Berlin Bourse. With this object a circular was first addressed in January 1893 to Russian bankers forbidding them to facilitate such speculation by the sale of credit roubles to foreign firms or in any other way, and in March of the same year a duty was imposed

upon the export of credit roubles, which made their export practically impossible. Meanwhile the banking-house of Mendelssohn in Berlin had been steadily buying up credit roubles there on behalf of the Russian Minister of Finance, and when the time for delivery came, in October 1894, the sellers were unable to meet their liabilities, and were obliged to appeal to M. de Witte to allow them to import credit roubles from Russia. This he permitted to the extent of 3,000,000 credit roubles, but at the rate of 234, whilst the unfortunate speculators had sold them at the rate of 220 *Reichspfennige*. This blow put an entire stop to speculation in roubles at Berlin. After 1894 the value of the credit rouble remained practically constant, and in 1895 sanction was given for transactions to be effected at the exchange rate of 1½ credit roubles for 1 gold rouble, and for payments to be made to the Treasury in gold. At the same time, the Imperial Bank was given permission to buy and sell gold coin at the same rate.

In 1897 the currency reform was completed by the adoption of a gold rouble as the monetary unit. This rouble was, however, equal in exchange value to the credit rouble, not to the old gold rouble, and the former imperial of 10 roubles gold was replaced by a new imperial of equal intrinsic value, but of 15 roubles. Gold coins of the value of 10, 7½, and 5 roubles were struck, and the exchange value of the credit rouble declared equal, rouble for rouble, to that of the gold coinage. The new gold rouble possesses all the essential characteristics of a true unit of monetary value; it is legal tender for payments of any amount, and its issue is unrestricted, the Imperial Bank receiving any foreign gold coins or unminted gold that may be brought to it, and giving in return its value in Russian gold coinage minus a small commission for the expense of minting. Silver coins are still retained as an auxiliary to the gold coinage, but are token money only. The number issued is regu-

lated by the Government, and they are only legal tender up to a certain amount. Credit roubles, on the other hand, are true representatives of the gold rouble, being exchangeable for coin at any time. They are issued by the Imperial Bank, against a reserve fund in gold, and only in amounts strictly necessary for the purposes of circulation. The law requires that, up to an issue of 600,000,000 roubles, half the credit roubles must be guaranteed by gold, and every note issued beyond that sum must be guaranteed by gold, rouble for rouble.

The conversion of the currency which M. de Witte has thus carried through has been the subject of high praise and also of severe blame, both in Russia and abroad. On the one hand, writers like M. Issaieff and MM. Lehmann and Parvus see in it no real reform, but a merely arbitrary alteration in the nominal value of the Russian imperial, which they designate as a "falsification of the coinage." By this means an apparent increase in the gold deposits was at once produced, their value being raised 50 per cent. This alteration in the value of the gold coinage has certainly been strongly felt and resented in the Baltic Provinces, and at the time of its introduction the adoption of a gold standard was contrary to public opinion generally as expressed, with very few exceptions, in the Russian press. With regard to the charge of falsification of the coinage, it must, however, be remembered that before 1897 there was no direct relation between the gold and paper rouble, and that the gold rouble was not a monetary unit, the nominal unit being still the silver rouble, whilst the actual one was the paper rouble. The alternative course of raising the value of the paper rouble to that of the old gold rouble would have been attended with grave inconveniences, owing to the contraction in the circulation of paper money which it would have involved, at a time of growing population and rapid industrial development; and, further, the loans

contracted both by the State and by the agricultural interests within the country were in paper currency, and the rise in value of the latter would have imposed a very heavy burden upon them.

On the whole it has been admitted even by the opponents of M. de Witte's policy that the course taken was that which would cause the least disturbance in the financial conditions of the country, and would make "no one richer and no one poorer." The adoption of a gold standard secured two very important advantages. First, it simplified questions of foreign trade, gold being the international standard of value, whilst the constant fluctuations in the value of the credit rouble had always been a hindrance to commercial transactions with Russia; secondly, the possession of a gold reserve within a country is an element of power. It is a guarantee of solvency in arranging for loans, and it affords the possibility at a time of great financial pressure, such as during a great war, of reverting once more to a paper currency. In this way the gold reserves of the Treasury and the Imperial Bank constitute the war-chest of the Minister of Finance.[1]

The introduction of banking into Russia dates from the second half of the eighteenth century, when banks, two for the nobility and one for merchants, were founded with Government capital. Those intended for the nobility were located in St. Petersburg and Moscow, and undertook to advance loans on the security of estates for one, or in some cases for two years. Later, banks were opened in the two capitals with the right of issuing notes, but were not successful, and in 1786 were replaced by the State Bank for issuing assignats, which also had the power of purchasing and of minting gold and silver. At the

[1] Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 460-80, 499-537. "Russia: its Industries and Trade," pp. 119, 120. "La Russie à la Fin du 19me Siècle," pp. 769-75. "Bulletin Russe de Statistique," 1901, A., pp. 3-5. H. Norman, "All the Russias," p. 335. Lehmann und Parvus, "Das hungernde Russland." Issaieff, "Zur Politik des russischen Finanzministeriums."

same time the Nobles' Bank in St. Petersburg was transformed into the Imperial Loan Bank, with the object of protecting trade and especially agriculture, "so that each landed proprietor might be in a position to keep his estates, to improve them, and to lay the foundation of a perpetual income for his family and descendants." This bank advanced loans to nobles at the rate of 8 per cent. for a term of twenty years to the amount of forty roubles for each serf on the estate. In 1817 the Bank of Commerce was founded to develop the discount system, and in the same year a special Council was appointed to supervise banking establishments. In 1859 the Government appointed a Commission to undertake the reform of credit institutions, some of which ceased their operations, and in 1860 the Bank of Russia was founded with the power of conducting deposit, loan, and discount operations, but not of issuing notes.

After the emancipation of the peasants in 1861 had increased the need for a more widespread organisation of banking, greater latitude was allowed to private initiative, and "long-term" or "short-term" credit institutions were founded in various places, generally on a basis of mutual assurance, and also municipal banks. In 1864 the Kherson Provincial Bank was founded, and afterwards extended to the four neighbouring governments, and in the same year the first Joint Stock Commercial Bank was opened, and was followed by twenty-seven others during the next ten years. In 1866 the Mutual Land Loan Society was established on the principle of mutual liability, and advanced loans at the rate of 5 per cent. interest to the amount of 40 per cent. or 50 per cent. of the value of the estates. The capital of this Society consisted of a Government subsidy, the payments made by borrowers, and 10 per cent. of the net profits, the remainder being divided amongst the borrowers according to their shares in the capital. Between 1871 and 1878 eleven other Joint Stock Land Banks were founded, and from that time

onwards the number of land, municipal, commercial, and other banking institutions continually increased.

Between 1870 and 1880 "banking enterprises were started with the object of affording assistance to village communities, artisans, and small traders, at first in the shape of loan and savings banks, and later, in 1895, of so-called credit associations." In 1883 the Peasants' Land Bank was founded by the Government, and in 1890 the former Mutual Land Loan Society was dissolved, and its business transferred to the Nobles' Land Bank founded a few years earlier.

The number and nature of the banking institutions in Russia are described as follows in the official publication of the Russian section at the Glasgow International Exhibition:—"At present the number of banks and similar institutions in Russia is estimated at 550, with more than 300 branches. The most numerous of these institutions are, naturally, those for short-term loans. These are in the first place commercial banks, of which there are forty-two with 250 branches, with a capital of £20,423,260, and working resources above £88,888,800. The bulk of the operations consists in discounting, which involves about 51 per cent. of the working funds, and 'on call' operations, which involve about 29 per cent., although, of course, these institutions engage in all operations of the nature of short-term credit. Next in importance to commercial banks are the mutual credit associations, of which there are 116, with a working capital amounting to £14,074,060. The bulk of the operations consists in the discounting of bills of exchange and solo bills (£12,275,120) and on call operations (£5,714,280).

"Municipal banks (241), of which the first was founded as early as 1789, while the majority only date from the year 1866, were established with capital supplied by municipalities or private individuals. These banks not only engage in operations involving brief terms of credit, but also grant loans on the real property of townships and even on land. The dis-

counting of bills is, however, the most common operation engaged in, involving 55 per cent. of the total working capital, which amounts to about £13,756,600. To these should be added the minor credit institutions, such as savings banks, loan offices and societies, and village banks, which number about 1,250, while the savings and loan offices alone possess upwards of 225,000 members."

Another class of institutions grant loans for long periods. "These are, firstly, agrarian joint stock banks, of which there are now ten. They grant loans on land and buildings in towns to the amount of 60 per cent. of the assessed value of the property. After these come the municipal credit societies, twenty-five in number. Next come several class and *zemstvo* banks. According to the data for the year 1898, the quantity of land thus mortgaged with credit institutions, including the Nobles' Agrarian and the Peasants' Agrarian Banks, was 44 per cent. of the total area of privately owned land, valued at £297,354,200." The growth of the indebtedness of the owners of land or town buildings to these banks is as follows:—

TOTAL AMOUNT OF LOANS ON JANUARY 1ST.

	1887.	1901.
	£	£
On land	60,740,680	164,126,820
On property in towns . .	8,571,420	47,195,720
	69,312,100	211,322,540

There are three Government banks—viz., the Nobles' Land Bank, the Peasants' Land Bank, and the Imperial Bank of Russia. The Nobles' Land Bank, founded in 1885, is a long-term credit institution. Its object was the assistance of the nobility, whose estates were in many cases passing out of their hands in consequence of the fall in the price of grain from 1880 to 1890. Loans

are made exclusively to the nobility, up to the amount of 60 per cent. of the value of their estates, for periods of from 11 to 66½ years. The terms are more favourable than those allowed by any other institution granting loans for long periods. In the case of the longest loans for 66½ years, the interest charged is 5 per cent., and even 4 per cent. to previous creditors, including extinction of the debt. As we have seen, the Mutual Land Loan Society was incorporated with the Nobles' Land Bank in 1890, and the operations of the latter now extend throughout Russia in Europe and Trans-Caucasia, with the exception of Finland, Poland, and the Baltic Provinces.

The Peasants' Land Bank was founded in 1883 with the object of assisting the peasantry to purchase land, when, owing to the growth of the population since the emancipation of the peasants in 1861, the allotments had become too small. The need of more land was so great that even before 1880 the peasantry had purchased about 1,889,800 acres without any Government assistance, and up to the beginning of 1900 the Land Bank had advanced £20,273,842 to facilitate the acquisition of land, whilst that actually bought by the peasantry through its means amounted to 11,656,620 acres. This bank also gives long-term credit, and advances sums to the amount of 90 per cent. of the price fixed by special valuation of the land mortgaged. The terms vary from 13 to 55½ years at 5¼ per cent. per annum, with extinction of loans after the expiration of 55½ years. "Further, until the special capital of the bank shall have attained the sum of £5,291,000, a certain sum per annum is put apart out of the money paid by the peasantry in redemption taxes, with which capital the bank will be entitled to acquire land on its own account and resell to the peasantry. In this manner, on January 1st, 1900, the bank had effected the purchase of 1,090,689 acres, and had resold to the peasantry 369,872 acres." In 1888 the

operations of the Peasants' Land Bank, which had hitherto been confined to the Russian governments, were extended to Poland, with certain special regulations. The capital of the Poland bank was increased by the addition of two million roubles from a "fund for the benefit of the public in the Kingdom of Poland" established in 1860. The growth of the loans made by the Nobles' and Peasants' Land Banks from 1887 to 1900 was as follows:—[1]

Total of Loans on January 1st.

	1887.	1900.
	Roubles.	Roubles.
Nobles' Land Bank	68,783,300	600,576,536
Special section representing former Mutual Land Loan Society.	140,034,064	61,345,376
Peasants' Land Bank	34,378,040	170,438,484
	243,195,404	832,360,396

The Bank of Russia was founded, as we have already stated, in 1860, with a capital of 15,000,000 roubles, and its branches gradually spread to the most important towns in the empire. Its chief function was to act as a deposit bank, but it also had the right to make loans on the security of the precious metals, merchandise, or Government stock, to discount bills, to buy or sell gold or stocks, to carry out commissions for the Minister of Finance, who was to keep a current account always open at the bank, and to transfer stock. At the same time, it was authorised to issue credit notes, not, however, independently, but for the account of the Treasury. In 1894 a reform took place with regard to the Bank of Russia; its principal aims were

[1] Royal Commission on Labour, "Foreign Reports, Russia," p. 43. "Russia: its Industries and Trade," pp. 116, 120-22. "La Russie à la Fin du 19me Siècle," pp. 804-8, 816, 817. "Bulletin Russe de Statistique, 1901," A., pp. 312, 313.

now declared to be those of facilitating the circulation of money, of aiding by short-term loans the national commerce, industry, and agriculture, and of consolidating the system of credit. In the following year the bank was given the right of buying and selling gold coins at a fixed ratio of 1 gold rouble to 1½ credit roubles, which practically settled the relation of the gold and paper currencies; and by the Ukase of August 29th, 1897, the bank was authorised to issue credit notes for its own account, but exclusively for purposes of exchange, and, as already stated, against a reserve fund in gold, which must be equal to half the value of the notes issued up to 600,000,000 roubles, and above that sum must be equal to the value of the additional notes issued. The Bank of Russia also transacts the financial business of the Treasury, but at the same time it carries on the usual functions of a short-term credit bank.

Its position is thus rather an anomalous one. It remains a real State Bank, and its issue of notes rests on the basis of a fixed proportion of gold, but it carries on its operations with private and State deposits bearing interest. Theoretically, therefore, it seems exposed to several grave dangers, and has been made the subject of many criticisms. Thus MM. Lehmann and Parvus point out that the decision as to the extent of the issue of credit notes is left entirely in the hands of the bank, the only condition laid down by the law being that it should be regulated by the real needs of the money market, without any direction as to how these needs are to be calculated. Moreover, there is no penalty imposed upon the non-observance of this clause, nor any guarantee that it will be observed. On the other hand, the bank is entirely dependent upon the Government, owing to the fact that the State is by far its most important creditor. In 1899 the private deposits in the Bank of Russia amounted to less than a third of the State deposit; whilst in the Bank of England the State deposit amounts to between

a fifth and a quarter of the private deposits, and in the Bank of France the State deposit is about one-half of the private deposits. The consequence is that the activity of the Bank of Russia might be crippled at any time by the withdrawal of a large proportion of the State deposit, and it might be forced to a fresh issue of notes.[1] Again, the whole of the gold reserves in the bank are considered as security for the issue of notes, so that in a time of great financial pressure the safety of the private deposits might be endangered. Moreover, the Treasury and the Bank of Russia are mutually dependent, for "the Imperial Treasury relies upon the State Bank in the event of having to cover a deficit, whilst in the case of a deficiency of cash the Treasury would have to come to the assistance of the bank."

In reply to these and similar criticisms, Professor von Schulze-Gävernitz points out that the constitution of the Bank of Russia is probably the best that can at present be obtained, as it corresponds to the backward economic conditions of the country. When all commercial and industrial undertakings depend so largely upon State encouragement and regulation for their existence, it is inevitable that the relations between the State and the bank should be close; while, owing to the want of capital and ready money in the country, the bank would have insufficient means to carry on its operations without the large State deposit.

The following balance sheet shows the position of the Bank on October 1st, 1901:—

[1] "The Bank of Russia has no other capital than that provided by the Treasury. True, the sum of 100,000,000 roubles does appear in the assets of the bank (Article 2) under the head of 'non-interest-bearing debt of the Treasury for bank notes issued,' but in the liabilities (Article 9) one finds 356,000,000 roubles as 'Treasury account current.' It is with 256,000,000 roubles (356 – 100) and with its own capital of 50,000,000 roubles that the Bank of Russia carries on its loan and discount operations. Instead of advancing to the Government the money of private persons, the bank lends Government money to private persons. Under these conditions it is clear that the Government must not reckon on the bank to absorb its Treasury bills, and that it carefully avoids, not only overdrawing its balance, but even letting it fall below 200,000,000 roubles."—*Russian Journal of Financial Statistics*, January 1900, p. 15.

BANK OF RUSSIA.—October 1st, 1901.

Assets.		Roubles (omitting fractions).
1. Cash: (a) Bank notes	42,276,980	
(b) Gold	111,095,177	
(c) Silver of 0·9 fineness	41,518,072	
(d) Silver bullion and copper coin	16,865,731	
		211,755,961
2. Gold in ingots, gold Russian coinage, foreign coins, etc., gold mint certificates		536,958,843
3. Account current creditor at foreign bankers'		17,887,804
4. Foreign bills		1,477,616
5. Discounted bills and other short-term securities		234,356,366
6. Advances on special accounts current guaranteed by bills		18,466,696
7. " " " " " stock		78,474,896
8. Loans on stock		34,254,750
9. " " goods		38,334,801
10. " " bills of lading, etc.		618,000
11. " to landowners		8,375,544
12. " " industrial undertakings		40,228,831
13. " " artisans		250,000
14. " for purchase of agricultural machinery and implements		467,000
15. Advances to agents		162,756
16. Loans to municipalities and *zemstvos*		24,000
17. Advances to pawn offices at St. Petersburg and Moscow		6,625,000
18. Protested bills		1,051,358
19. Open credits against guarantee of real estate		2,443,794
20. Stock belonging to the bank		39,028,286
21. " on commission		6,477,267
22. Account with Nobles' Bank, Peasants' Bank, and other Government institutions		14,761,516
23. Administrative charges and sundries		72,155,262
24. Accounts of branch offices		342,423,692
25. " " Treasury		26,694,000
Total		1,733,754,049

Deposits for custody: Gold and silver . . . 3,393,000
Funds and securities . . 3,611,367,283

Liabilities.	Roubles (omitting fractions).
1. Bank notes issued	630,000,000
2. Drawn by bank on foreign houses	5,664,146
3. Capital of State Bank	50,000,000
4. Reserve	5,000,000
5. Sums assigned for buildings for branches	48,268
6. Deposits on term	23,719,085
7. " at sight	46,640,693
8. Accounts current:	
(a) Treasury	197,281,350
(b) Obligatory deposits	150,036,000
(c) Public institutions	88,806,147
(d) Private persons, commercial and industrial companies, etc.	19,689,409
(e) Special	51,924,986
9. Railway giro account	19,179,746
10. Unpaid transfer orders	8,565,702
11. Interest on business done in 1900	27,394,365
12. Interest due on deposits, short accounts, and sundries	12,455,759
13. Net profit for 1899	10,028,754
14. Account of bank with branch offices	362,704,000
15. " " treasuries	24,615,633
Total	1,733,754,049

There are two points which it is important to notice with regard to the assets. The first is that the items 1, 2, and 3, which together represent the cash reserves of the bank, have during the last few years been gradually diminishing. This appears as follows:—

	April 1st, 1899.	Oct. 16th, 1900.	Oct. 1st, 1901.
	Roubles.	Roubles.	Roubles.
1. Notes and specie	275,927,206	255,112,368	211,755,961
2. Gold in ingots, old and foreign coins, etc.	796,137,176	557,132,152	536,958,843
3. Money in foreign banks.	22,352,118	27,771,856	17,887,804
	1,094,416,500	840,016,376	766,602,608

The second is that items 6, 7, 8, 9, 12, and 21 have been steadily increasing, as may be seen in the following table:—

	April 1st, 1899.	Oct. 16th, 1900.	Oct. 1st, 1901.
	Roubles.	Roubles.	Roubles.
6. Advances on special accounts, etc., guaranteed by bills	2,232,617	12,065,768	18,466,696
7. Advances on special accounts, etc., guaranteed by stock	16,034,571	57,746,453	78,474,896
8. Loans on stock	24,682,380	34,165,571	34,254,750
9. Loans on goods	19,044,800	31,521,474	38,334,801
12. Loans to industrial undertakings	8,762,606	32,815,154	40,228,831
21. Stock on commission	237,903	3,854,952	6,477,267
	70,994,877	172,169,372	216,237,241

It will be noticed that these items represent advances made by the bank, for the most part to industrial companies, into which a considerable element of risk must enter. The system of assisting industrial undertakings in this manner, when in many cases they

would be unable to exist at all without such external support, was a recognised element in the financial and industrial policy of M. de Witte. Loans to landed and agricultural interests, on the other hand, as represented by items 11 and 14, have shown a diminution since 1899. A criticism made by the Nationalist party, represented by M. Issaieff, is that the credit policy of the bank is useful only to those who require large loans. The law of 1894 attempted, it is true, to bring it within the reach of poorer borrowers by permitting small loans, but these are restricted to a short period, whilst the large loans are unrestricted. Items 13 and 14 of the assets represent these small loans, and they show a tendency to fall off rather than to increase, the figures in 1899 and 1901 being as follows:—

	April 1st, 1899.	Oct. 1st, 1901.
	Roubles.	Roubles.
13. Loans to artisans	472,125	250,000
14. Loans for purchase of agricultural implements	1,055,000	467,000

Professor von Schulze-Gävernitz points out, however, that these loans are survivals from the old Russian semi-philanthropic conception of the functions of a bank, and must inevitably disappear as more modern conceptions become generally accepted. Amongst the liabilities of the bank the most important consists of the issue of credit notes; but, in spite of the falling off in the gold reserve which has been mentioned, there is no cause for anxiety with regard to the issue of notes, which are more than fully covered by the stock of gold in the bank, although the law only requires a gold guarantee equal to one-half of the notes in circulation up to 600,000,000 roubles. On October 1st, 1901, the notes issued amounted to 630,000,000 roubles, of which 42,276,980 roubles were within the coffers of the bank, leaving 587,723,020 roubles in circulation, whilst the stock of gold in the

bank amounted to 648,054,020 roubles. In 1899 the position was still better, for there was a stock of gold amounting to 958,038,941 roubles against the 595,850,560 roubles of credit notes in circulation, but there is still sufficient margin to allow for a flow of over 300,000,000 roubles of gold away from the bank before the position of the credit notes would be in any way endangered.[1]

The national debt of Russia, like that of other European countries, increased rapidly during the last half of the nineteenth century. According to "The Statesman's Year-book," "on the eve of the Crimean War the State debt of Russia, funded and unfunded, including the excess of the note issues over the total bullion, was nearly £144,000,000 sterling. On January 1st, 1887, the total national debt was £524,000,000 sterling. On January 1st, 1901, the consolidated debt amounted to £655,000,000 sterling. On January 1st, 1902, the capital amounted to £684,504,661." Although loans have from time to time been raised for various reasons—such as the loan of 1902, which was partly for the purpose of indemnifying individuals who had suffered through the war with China, and the loan of 1893 for the relief of the famine-stricken districts—the chief cause of the increase has been the money spent upon the nationalisation and development of the railway system. Thus in the official report on Russia, prepared for the Glasgow Exhibition in 1901, it is stated that "in 1890 the total sum of such debts" (*i.e.*, those devoted to railway expenditure) "was £151,587,362, which has now increased to £264,721,852, while the sum of the indebtedness of the Government under the head of General Imperial Requirements has decreased from £417,843,180 to £399,335,050." The annual burden of the national debt has not kept pace with the

[1] Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 480-99. *Russian Journal of Financial Statistics*, February 1901, pp. 594-5; "Bulletin Russe de Statistique," 1891, A., pp. 518-19. Issaieff, "Zur Politik des russischen Finanzministeriums." See also Appendix 7.

increase of its capital value, for full advantage has been taken by the Russian Government of the general fall in the rate of interest during recent years, and repeated conversions of stock have taken place. The following table shows the growth in the total amount of the debt and in the annual interest between the years 1887 and 1901 :—

	Nominal value of capital.	Annual interest.	Capitalised value of interest at 4%.
1887.	Roubles.	Roubles.	Roubles.
Loans reckoned in old gold roubles or foreign money .	1,975,476,600	92,821,921	2,320,548,025
Loans reckoned in credit roubles and roubles of present coinage . .	2,381,811,153	122,514,658	2,959,617,825
1901.			
Loans reckoned in old gold roubles or foreign money .	3,053,042,403	117,156,466	2,928,911,650
Loans reckoned in credit roubles and roubles of present coinage . .	3,157,516,983	131,733,918	3,293,347,950
Excess of 1901 over 1887 .	1,853,271,633	33,553,805	942,093,750

It will be seen that the increase in the capitalised value of the interest is little more than half that in the nominal value of the capital. The growth of the total annual expenditure in connection with the national debt during the last five years, as it appears in the budget estimates, has been as follows :—

	1899.	1900.	1901.	1902.	1903.
	Roubles.	Roubles.	Roubles.	Roubles.	Roubles.
Interest . .	244,107,668	247,207,921	248,890,384	258,816,418	264,650,652
Amortisation .	24,537,529	24,975,363	25,905,922	27,515,774	25,514,052
Other payments .	1,481,000	2,430,000	—	8,000	677,000
Banking expenses .	111,889	112,880	113,437	119,521	124,632
Total . .	270,238,086	274,726,164	274,909,743	286,459,713	290,966,336

Up to 1887 Russian securities were chiefly held in Germany, but owing to Bismarck's action, the political causes of which have never been clearly understood, the German press in that year predicted the speedy bankruptcy of Russia, and the National Bank of Germany was forbidden to negotiate Russian loans. A panic followed amongst German investors, who hastened to sell their Russian securities at a heavy loss. France was, however, at that time on political grounds eager to invest in Russian securities, and owing to the general low rates of interest then prevalent and the improvement in Russian credit which followed upon the reform of the currency, Russia was able to negotiate several loans in France on very favourable terms. The 4 per cent. Russian stock (payable in gold), which in 1880 stood at 75, was quoted in 1894 at 97¼, and in 1897 stood at par. At the same time several conversions on a large scale were carried through, so that whilst the average rate of interest on Russian loans was 5·08 per cent. in 1895, in 1898 it had fallen to 3·86 per cent. During the last few years, however, there have been signs that Russian loans are no longer so eagerly taken up in France, and M. de Witte had to turn again to Germany, the loan of 1901 being negotiated in Berlin.

So far Russia has never failed to meet her obligations, and it has often been pointed out that the national wealth of the Russian Empire in forests, minerals, and agricultural produce form assets which far outweigh the amount of her national indebtedness, whilst M. de Witte has maintained that the debt is balanced by the value of the State railways alone. This latter point will be discussed later, but so far as the natural wealth of the country is concerned, there is no doubt that the assets exist, but the wealth is too much locked up to be available for foreign creditors. At present Russia continues to pay interest on her debt punctually without materially diminishing her stock of gold, partly by means of

a favourable balance of trade, but partly by means of the new foreign loans which she continues to raise from time to time. If either of these two conditions should fail her, she would be compelled to make use of her gold reserves in order to meet her current obligations.[1]

2. Analysis of the Budget

The finances of the Russian Empire are administered according to an elaborate, uniform plan, drawn up each year for the Budget of the following year. The method of compiling the Budget was prescribed by the law of 1862, and remains essentially the same. The Ministers in charge of the various departments of State draw up estimates of the income and expenditure anticipated in their own departments, and these are laid before the Council of State, the Minister of Finance, and the Controller of the Empire. Upon them the Minister of Finance bases his provisional Budget. This, with the estimates of the various Ministers and the remarks of the Controller of the Empire, is next examined by a special department of the Council of the State, and the provisional Budget is then submitted to the Council of State itself, and when adopted by that body, is presented for the Tsar's signature. On the first of January (O.S.) in each year the Budget is published, accompanied by a Report addressed by the Minister of Finance to the Tsar. This Report is of great interest, as, in addition to giving explanations of the chief features of the Budget, and some account of the economic history

[1] Schulze-Gävernitz, "Volks. Studien aus Russland," pp. 550-62. "Russia: its Industries and Trade," p. 118. "Bulletin Russe de Statistique Financière," 1901, pp. 198-205.

of the past year, it makes some pronouncement of future policy and is often of the nature of a political manifesto, dealing not only with fiscal questions, but with other aspects of domestic and foreign policy. This has been markedly the case in the Reports drawn up by M. de Witte, which were eagerly awaited, as a writer in *The Spectator* stated in January 1901, "for a real light upon Russian policy, as we would look in Germany to a speech of Count von Bulow's, or in France to a statement by M. Delcassé." M. de Witte, indeed, by the boldness of his financial policy, and the persistent extension of the power of his Department over different sections of government and public affairs, attained a position almost analogous to that of a Prime Minister, and was the virtual controller of the policy of the empire.

The chief features of the Budget of 1903 illustrate some of his most strikingly characteristic methods and aims. The first point to be noticed is the hugeness of the sums dealt with. In this year, for the first time, the estimated expenditure exceeded two milliard roubles, amounting to 2,071,667,472 roubles, or very nearly double the amount of the Budget of 1893, when the total, for the first time, exceeded one milliard roubles. The rapidity with which the revenue and expenditure have grown within ten years is therefore no less remarkable than their present extent. When, however, the various items for these two years, 1893 and 1903, are compared (as they are given in their main features in the following table), it will be seen that the great growth of the ordinary revenue is to be found almost entirely under the two heads of "State Monopolies" and "State Domains and Capital." On the side of the ordinary expenditure, although some increase occurs under nearly every head, it is most marked under those of the Ministry of Finance and the Ministry of the Ways of Communication.

Revenue.	1893.	1903.
	Roubles.	
Ordinary.		
1. Direct taxes	94,950,680	132,051,949
2. Indirect taxes	474,621,323	405,994,300
3. Duties (stamp, transfer, passport, etc.)	61,279,450	98,169,223
4. State monopolies (including sale of spirits)	38,537,114	562,284,800
5. State domains and capital (including railways)	135,494,897	523,406,347
6. Sale of domains	827,720	531,953
7. Redemption of land	77,000,000	89,162,600
8. Indemnification of Treasury expenditure	72,097,394	79,085,049
9. Various	6,413,565	6,346,457
Total ordinary revenue	961,222,143	1,897,032,678
Extraordinary.		
Perpetual deposits in the Bank of Russia	1,200,000	2,500,000
War indemnity (1893 only)	3,536,335	–
Special fund (1893 only)	5,937,574	–
Loan (1893 only)	68,562,333	–
From the free balance of the Treasury (1903)	–	172,134,794
Total extraordinary revenue	79,236,242	174,634,794
Total revenue	1,040,458,385	2,071,667,472

Expenditure.	1893.	1903.
	Roubles.	
Ordinary.		
1. State debt	264,325,647	290,966,336
2. Higher institutions of State	2,115,165	3,210,449
3. Holy Synod	11,887,024	28,388,049
4. Ministry of Imperial House	10,560,000	15,808,652
5. " Foreign Affairs	5,289,909	5,742,048
6. " War	232,937,030	329,923,806
7. " Navy	49,892,803	115,631,241
8. " Finance	122,572,579	369,410,068
9. " Agriculture and State Domains	25,458,305	49,085,335
10. " Interior	82,352,659	99,717,098
11. " Public Instruction	22,411,434	39,214,985
12. " Ways of Communication	70,800,814	458,469,935
13. " Justice	25,310,830	49,384,341
14. Department of control	4,466,043	8,382,592
15. Management of State studs	1,310,163	2,070,294
16. Provision for possible increase in prices of stores, etc.	6,000,000	3,000,000
17. Unforeseen expenditure in course of year	10,000,000	12,000,000
Total ordinary expenditure	947,690,385	1,880,405,229
Extraordinary.		
Railways and ports (1893 only)	62,161,000	–
Defence (1893 only)	29,607,000	–
Reserve (1893 only)	1,000,000	–
Payment of 4½ per cent. bonds Moscow-Yaroslaff Railway	–	2,458,300
Building of Siberian Railway	–	20,921,023
Enterprises in connection with Siberian Railway	–	3,418,340
Building of other railways	–	145,194,580
Loans to private companies for building railways	–	9,270,000
Compensation to individuals or institutions for abolition of spirit-distilling licences	–	10,000,000
Total extraordinary expenditure	92,768,000	191,262,243
Total expenditure	1,040,458,385	2,071,667,472

The whole secret of this rapid growth of the Budget is, in fact, due to two great experiments in State Socialism initiated by M. de Witte. These are the recently acquired State monopoly of the drink traffic, which is administered by the Ministry of Finance, and the construction or acquisition by the State of the railways, which are administered by the Ministry of Ways of Communication, whilst the revenue from them is included 'under the heading of "State Domains and Capital." If the estimates of the extraordinary expenditure of 191,262,243 roubles for 1903 are considered, these facts are equally evident, for, with the exception of 10,000,000 roubles to be paid as compensation to private persons or institutions deprived of spirit-distilling licences, the whole amount is devoted to the building of new railways, the upkeep of existing railways or their transference from private companies to the State.

It may be noticed here that the line of demarcation between the revenue and expenditure classed as ordinary and those classed as extraordinary is not very easy to discover. In the official handbook to the Russian section in the Paris Exhibition of 1900, it is stated that "items of State revenue or expenditure are ordinary when they occur periodically, and otherwise extraordinary." In the Budget of 1903, however, as in previous years, money advanced to railway companies is treated as capital outlay and classed as extraordinary expenditure, but the repayments of such advances are included amongst the ordinary sources of revenue. Similarly, the sums entered amongst the ordinary receipts as repayments in redemption of their land by the peasant owners are really in part a repayment of capital. In studying the various items of the Budget, therefore, the distinction between those classed as ordinary and those classed as extraordinary need not be observed with great care.[1]

[1] "La Russie à la Fin du 19me Siècle," pp. 776-8. Budgets for 1893 and 1903. *The Economist*, January 19th, 1901; January 24th, 1903.

The first class of ordinary receipts consists of the direct taxes, which are divided into three groups—viz., (1) those upon land, real estate, and individuals; (2) those on trade and industries; and (3) those on interest payable on stock and current accounts. The whole return of these taxes increased between 1893 and 1903 by over 37,000,000 roubles, but the increase took place chiefly in the second group, and only to the extent of less than 4,000,000 in the first group. This is the result of fiscal reforms that took place during the latter part of the last century, the tendency of which has been to remove part of the burden which formerly rested upon the peasantry and to distribute it more evenly amongst the population. A general land tax was imposed in 1875, which included the lands of the nobles hitherto exempt from taxation; but, owing to the poverty of the peasantry, it cannot be anything but low. There is besides a tax on real property in towns, but the proceeds of this are also unimportant. A poll tax, which was the chief tax in former times, was abolished by different laws between 1882 and 1885. There is no common income tax in Russia, but a tax is "levied at the rate of 5 per cent. on incomes derived from interest-bearing papers, deposits in banks, and other similar institutions, and from not-guaranteed shares in railway companies, and also of 0·216 per cent. per annum on special current accounts as security for which interest-bearing papers have been deposited." Of far greater importance to the revenue are the taxes upon trade and industries, and the increase of the yield of these taxes during the last ten years is some indication of the industrial progress during the period. These consist of two different kinds—one a charge for industrial certificates, which varies according to the locality and the character of the industry; and the other a tax on joint stock companies and other enterprises which are required by law to publish balance-sheets.

The second class of revenue consists of the indirect

taxes, the estimated yield from which was actually somewhat less in the Budget for 1903 than in that for 1893. This, however, is due to the diminution in the excise duty upon spirits and spirit-distilling licences caused by the introduction of the State monopoly in the sale of spirits. The yield of the other excise duties, on tobacco, sugar, mineral illuminating oils, and matches, has increased in every case, and the customs duties have increased by more than 81,000,000 roubles. The third class of sources of revenue consists of duties on stamps, transfers of property, "express" passenger and goods railway traffic, fire insurance, and other miscellaneous duties. The duty on passports in the interior was abolished in 1897 in all governments except those in Poland, a change of very little importance from the point of view of revenue, but a decided improvement in conferring greater freedom of migration upon the peasantry.[1] The total yield of these duties increased by about 37,000,000 roubles during the ten years under consideration, the increase being chiefly under the heads of stamp duties, transference of property, and railway traffic, which point to an increasing activity in business as well as locomotion.

The fourth division of revenue, that of royalties or State monopolies, is, as already indicated, of great importance, owing to the inclusion in it of the State monopoly of the sale of spirits. This item, which did not occur at all in the Budget of 1893, is estimated in that of 1903 at no less a sum than 499,778,000 roubles. The other royalties are mining rights, the mint, postal revenue, and telegraph and telephone revenue, the last two of which showed a considerable increase during the ten years 1893-1903. Section 5 of the revenue includes the property and funds belonging to the State, and forms a very important item, the estimates for which increased by nearly 388,000,000

[1] In the Budget for 1903, for the first time there is no estimate of revenue arising from duties on passports.

roubles between the Budgets of 1898 and 1903. Of this increase, however, more than 330,000,000 roubles are accounted for by the increased receipts of the State railways—an item which, as will be seen later, does not represent any net profit to the State. The remainder is chiefly due to the increased value of the State forests and rents. The other sources of revenue in this section are State industrial and technical establishments and stores, the interest on State capital and profits on banking operations, and the share in the profits of railway companies holding concessions from the State. Section 6 contains only one item of revenue, that arising from the sale of State domains, and its yield is comparatively small.

The next section consists of payments in redemption of land from three different classes of peasants—viz., the former serfs of private owners, of the Crown, and of the State. The collection of these payments is often a matter of difficulty, owing to the poverty of the peasants, and the amounts payable were lowered throughout the empire in 1881. In spite of this, the payments are frequently in arrears, and, owing to the impoverishment of the people by bad harvests and famine, these have had to be remitted more than once. Special laws were also passed in 1889, 1894, and 1896, to facilitate the payments by prolonging the periods during which they might be made. The estimated total for 1903, however, shows an increase of some 12,000,000 roubles over that for 1893; and in his Report on the Budget for 1903 M. de Witte points out that the larger estimate for that year, compared with the preceding years, is based on the fact that the harvest had been unusually good. The eighth class of sources of revenue includes the obligatory repayments from railway companies, the reimbursement of loans and other expenses, subventions to the Treasury from various sources, and war indemnities, which include more than 7,000,000 roubles

payable by China. The ninth and last section consists of various miscellaneous and unimportant receipts.[1]

The first class of ordinary expenses are those connected with the public debt. Of the total of 290,966,336 roubles, which appears under this head in the Budget for 1903, about 264,500,000 are for interest and 25,500,000 for amortisation. Although these amounts show a considerable increase upon 1893, this is by no means commensurate with the increase in the indebtedness of the Russian State, owing to the conversion of the older loans and the comparatively favourable terms upon which the new loans have been made. This question has been dealt with at greater length above. The second class, which includes the Council of the Empire and the various Chancelleries, and the two departments constituted by the Ministry of the Imperial House and the Ministry of Foreign Affairs, do not call for any special comment. Their totals are not in themselves very considerable, nor is the growth of expenditure during the ten years under review of great importance. The expenses of the Holy Synod and the Orthodox Church, on the other hand, increased by over 16,000,000 roubles between 1893 and 1903, this increase being chiefly due to the expenses of the ecclesiastical educational establishments and the maintenance of clergy at home and on foreign missions.

The expenses of the Ministry of War formed the most important item in the Budget for 1893 after that of the National Debt; but in 1903 the totals of two other ministries exceeded it, although the actual amount allocated for this purpose was nearly 97,000,000 roubles greater than in the former year. This is due in part to a sum of about 24,500,000 roubles set aside for the purpose of re-armament, in part to a sum of nearly

[1] "Russia: its Industries and Trade," pp. 111-18. "La Russie à la Fin du 19me Siècle, pp. 744-63. Schulze-Gävernitz, "Volkswirtschaftliche Studien aus Russland," pp. 539-46.

6,000,000 roubles for the expenses of the Kwang-tung Peninsula (these two items not appearing at all in the Budget of 1898), and the remainder is distributed amongst the various items of expenditure, nearly all of which show some increase. The expenses of the Navy during the same ten years increased by more than 65,500,000 roubles, the greater part being due to the increase in the amount allocated for shipbuilding. The total growth of expenditure upon the defence of the empire is therefore very considerable, and in the report of a secret sitting of the Russian Imperial Council held in January 1903, which was published in a Russian pamphlet at Stuttgart, M. de Witte is said to have drawn attention "to the increasing expenditure of the State in other directions" (besides railways), "and notably for the army and navy. He was satisfied that with a period of peaceful and tranquil development secured to the protective forces of the empire, the financial position of Russia would remain unshaken, and he felt certain that, at a critical hour for the Treasury, His Majesty the Emperor would not fail to assert his autocratic authority in order to maintain the financial equilibrium of the Budget, and to compel the different departments of the State to adjust their claims to the resources of the country." In his Report to the Emperor which accompanied the Budget of 1903, however, M. de Witte refers to the increase of the expenditure upon national defence, and justifies it in the following manner: "What appears to be, for the State, the most pressing requirement? Obviously the one the satisfaction of which secures the entire existence of the State and its integrity. To this end the people bear the burden of military service, and pay the greatest portion of the taxes, and in return for this they have the inestimable consciousness, which cannot be outweighed by any material benefits, that their relatives, their property, and the whole fatherland are protected against foreign foes. . . . When demands are made upon the Minister of Finance for

supplies for this object, he has a hard task in deciding how far this or that measure is necessary for the purposes of defence, but, when the necessity has been recognised, it is incumbent on him to provide the means for meeting it. Hence the painful task is imposed on him of taking the initiative in introducing higher taxes and in rejecting all those measures for which money cannot be found after the most imperative needs of the empire above referred to have been provided for."

The next Ministry in order of arrangement is that of Finance, the total estimated expenditure of which for the first time in the Budget of 1902 equalled and exceeded that of the Ministry of War. The total for the Ministry of Finance in the Budget of 1903 exceeded the similar total in the Budget of 1893 by 247,000,000 roubles, and of this sum about 178,000,000 roubles were devoted to the expenses of the State monopoly of the sale of spirits. This will be dealt with in a separate section. The expenses of administration, and especially of local administration, also show a considerable advance. There is one Ministry, however, of which the total estimated expenditure for 1903 exceeds even that of the Ministry of Finance, and this is the Ministry of Ways of Communication, to which the enormous sum of over 458,000,000 roubles is allotted, whilst in the Budget for 1893 the amount was less than 71,000,000. As already mentioned, the increase in this department is chiefly due to the acquisition of the railways by the State. In the Budget for 1893 some 48,000,000 roubles were devoted to the working expenses of the State railways; but in 1903 over 419,000,000 were set aside for this purpose, including the improvement of the lines and the purchase of rolling stock, whilst a sum of about 180,000,000 for the construction of new railways and similar purposes is included among the extraordinary expenses. The question of the State railways, however, like that of the spirit monopoly, is of such importance as to

need a separate section for its consideration. The other items in the estimates for this Ministry show how much attention the Government is now devoting to the opening up and improvement of means of communication in Russia. Thus the amount to be spent on rivers and canals increased from nearly 7,000,000 roubles in 1893 to over 13,000,000 in 1903; whilst the cost of maintaining the roads increased by more than 3,000,000 roubles, and that of the ports by over 6,000,000.

The remaining Ministries are not nearly so important as regards the amount of their expenditure as those last considered, but it must be noticed that in all cases there is some increase in the estimates during the ten years in question, and that in two cases, those of the Ministries of Public Instruction and of Agriculture and State Domains, the amount has nearly doubled. The increase in the estimates for the Ministry of Justice is partly due to the transference to this department of the cost of the penal establishments, formerly under the Ministry of the Interior, whilst owing to the same fact the actual increase in the latter department is greater than it appears from the totals.[1]

The extraordinary expenditure for 1903 consists, as already stated, of sums required in connection with the extension of the railway system and with the liquor monopoly, both of which will be considered separately. The extraordinary revenue for the same year consists of 2,500,000 roubles of perpetual deposits in the State Bank and 172,134,794 roubles taken from the free balance of the Treasury. These two items have constantly recurred, with or without others, in the Budgets of several successive years. The deposits in the State Bank have already been referred to, when the mutual dependence of the State Bank and Treasury, and the consequent insecurity of both, was pointed out. The unfailing free balance of the Treasury, from which

[1] Budgets for 1893 and 1903. *Times*, January 14th, June 13th, 1903.

the deficit otherwise arising out of the Budget is every year made good, has been for many years a subject of surprise and incredulity to foreign critics of Russian finance, and has in turn called forth repeated explanations from the Russian Minister of Finance. The following table shows the figures quoted in M. de Witte's Reports on the Budget since 1893 for the amount of the free balance in the Treasury at the beginning of the preceding year, and also the amount taken from this balance each year to make up the deficit in the Budget:—

	Amount of free balance in Treasury on January 1st.	Amount required to cover deficit in Budget.
	Roubles.	Roubles.
1893	92,400,000	—
1894	259,902,389	59,013,309
1895	333,400,000	69,421,024
1896	273,900,000	119,876,299
1897	246,501,327	91,795,936
1898	214,700,000	106,291,706
1899	134,900,000	98,604,443
1900	259,300,000	160,641,423
1901	104,900,000	56,886,000
1902	268,400,000	143,987,494
1903	199,000,000 [1]	172,134,794

In his Report on the Budget for 1896, M. de Witte gives the following account of the free balance:—"The free balance or cash at the disposal of the Treasury is considered to be what remains of the sum total of (*a*) cash in hand in the treasuries, mint, etc.; (*b*) balance of the Treasury at the Bank of Russia and foreign

[1] The amount of the free balance for 1903 given by M. de Witte in his Report on the Budget for 1903 is based upon the estimates. The figures given by him for other years are taken from the Reports of the Audit Ministry (Department of State Control), but are for some years only given approximately. The figures in the first column of this table therefore differ slightly from those quoted in *The Russian Journal of Financial Statistics* for 1899 (p. 10).

banks; (*c*) cash on the way, after deducting all sums due from the Treasury, or considered as such (grants of former Budgets not yet closed, *e.g.*, sums due on securities not yet presented for payment, etc.)." In the Report on the Budget for 1900 this explanation was again given as a quotation from the former Report, whilst in his Report for 1901 M. de Witte enters upon another and longer explanation as follows:—"In the cash accounts of the Ministry of Finance, and likewise in the accounts of the State Control (Audit Ministry), a calculation is annually made of the amount of cash in hand in the treasuries of the Ministry of Finance on January 1st of each year; to this is added cash in transit, *i.e.*, cash sent from one treasury and not yet received by another, and likewise inconsiderable receipts due from deferred pay pension funds and other extraneous funds, as reimbursements of expenses incurred on their account. From this total, in the accounts of the State Control, are deducted all the grants assigned, but not yet used, *i.e.*, all expenditure foreseen in earlier estimates, but not yet carried out, and which may therefore require means to cover it. The sum remaining after deducting from the general amount of cash in hand the total of all the expenditure still to be incurred, is a really free balance, *i.e.*, not restricted by any obligations or promises of the Government. Besides this, in every account of the State Control there is another calculation: any excess of revenue receipts over expenditure during the financial year is added to the amount of free balance on January 1st of the said year, or, if there is an excess of expenditure over receipts, such excess is deducted from the amount of free balance. The coincidence of the results of these two calculations serves as a proof of their accuracy and correctness. As a matter of course, the increase or diminution of the amount of free balance depends on the excess, in a given financial year, of receipts over expenditure or *vice versa*. Thus by January 1st,

1892, the free balance fell as low as 35,000,000 roubles, by January 1st, 1895, it rose to 355,000,000 roubles, while by January 1st, 1899, it again fell to 134,000,000 roubles. In spite of such fluctuations, the amount of the free balance of the Treasury, for a considerable series of years, did not fall below the sum required to cover that part of the extraordinary expenditure which was not provided for by the estimated excess of ordinary revenue over ordinary expenditure."

It has, however, been several times pointed out by various critics of M. de Witte's policy that the free balance could not be maintained at the necessary amount, if it were not for foreign loans. Thus MM. Lehmann and Parvus have traced the free balance during the years 1898 and 1899, and show that, according to their calculations based upon the Budgets, the 214,700,000 roubles, to which it amounted at the beginning of January 1898, were more than exhausted during the two years by expenditure in excess of the estimates or of an extraordinary character. At the beginning of January 1900, however, the free balance was said to consist of 245,000,000 roubles. They point out that in 1898 recourse was had to a loan of 77,700,000 roubles, and in 1899 to one of 175,900,000 roubles, and conclude that the maintenance of the free balance really depends upon loans, unless the actual receipts exceed the Budget estimates each year to an enormous and incredible extent. In his Report on the Budget for 1902 M. de Witte himself points out that the free balance at the beginning of that year would only amount to 114,600,000 roubles (which would be insufficient to cover the deficit of 144,000,000 roubles on the Budget) were it not for the "127,200,000 roubles obtained by the realisation in 1901 of the 4 per cent. Consolidated *Rente* issued in pursuance of the Imperial Order of April 28th, 1901." Again, in his Report on the Budget for 1903, M. de Witte calculates the amount of the free balance at the

beginning of the year at 50,700,000 roubles, which would have been quite inadequate to meet the deficit of 172,184,794 roubles, but adds to this the sum of 148,500,000 roubles derived from the Paris loan of 1901. Apart from these foreign loans, the amount of the free balance seems to be maintained by the system of estimating the receipts each year at very much less than their actual amount—a plan which has the advantage for the Finance Minister of placing large sums of money in his hands without any restriction as to the manner in which they may be spent. The free balance also partly consists of sums allotted to, but not spent by, other Government departments, which flow back to the Treasury on the expiration of three months after the close of the financial year, and can then be used at the sole discretion of the Finance Minister. This system may be contrasted with that in force in England, where the accounts of each financial year are made to end with the year, and the Government has no power to continue to draw upon an extra credit which may have been given, but not spent, during the year. "Parliament must renew it before another penny can be used, and the same is the case with ordinary unexpended balances. By this rigorous proviso" (as Mr. A. J. Wilson points out) "all concealment of debt and confusion of amount of income and expenditure are avoided. Each year tells its own tale, and each year the Government in power has anew to submit its estimates *de novo* to Parliament." In Russia, on the other hand, the control which is nominally exercised over the estimates by the Council of State is largely modified by the enormous amount of the so-called "free balance."[1]

[1] "La Russie à la Fin du 19me Siècle," p. 777. "The National Budget," A. J. Wilson, p. 147. "Das heutige Russland," E. von der Brüggen, p. 45. "Das hungernde Russland," Lehmann und Parvus, pp. 491-5

3. Railways

The development of the railway system in Russia has already been briefly described in the chapter on Commerce, where it was shown that the first railways were built by the State between 1836 and 1851, but that after that date the construction of railways passed almost entirely into the hands of private companies. The Government never allowed the control to pass altogether out of its power, however, and on the one side promoted the construction of railways by guaranteeing the stock of the railway companies or by giving loans for the purpose of railway construction, whilst on the other it stipulated that after a certain period, usually of twenty years, the Crown should have the right of buying the railway on payment of a certain fixed sum. At the beginning of 1889 the railway system was 27,458 versts (16,475 miles) in length, of which only 23½ per cent. was in the hands of the Government, whilst the remaining 76½ per cent. was in the hands of numerous private companies, each with a separate tariff policy. The disadvantages of this system were obvious, as the variations in the tariffs and the difficulty of ascertaining them formed serious obstacles to commerce, whilst the State Treasury lost considerably in the working both of the State railways and of the private lines guaranteed by it. The Government therefore undertook the unification of the railway system in 1889, by introducing a general tariff fixed by a joint committee representing the various railway companies and a special rates committee from the Ministry of Finance. At the same time it adopted the policy of buying up the separate railways and concentrating the management in the hands of the Government and of a few large railway companies. Since M. de Witte came into office as Minister of Finance in 1892, the policy of buying up the private lines by the Government has been pushed rapidly

forward, and at the same time the construction of new lines by the State has grown to enormous proportions. M. de Witte, in his Report on the Budget for 1900, was able to state that the total extent of the railway system covered 55,286 versts (33,171 miles), of which 60½ per cent. was in the hands of the State; whilst in his report for 1902 he gives the total extent as exceeding 60,000 versts (36,000 miles) at the beginning of 1901.[1]

In the same Report M. de Witte states that the general financial results of the Government participation in railway management between 1889 and 1898 were as follows:—"The annual loss to the Treasury on the working of both Government and private railways was gradually diminished (except in 1892, when it reached 42,500,000 roubles), and in 1894 amounted to 4,000,000 roubles; since 1895 the Government has had some profit from its share of railways—viz., 1,800,000 roubles in 1895, 11,300,000 roubles in 1896, 12,500,000 roubles in 1897, and 12,100,000 roubles in 1898. The last two figures do not include the working of sections of the Siberian Railway; if these sections are included, the amount of Government profit will be: 1897, 8,000,000 roubles; and 1898, 1,000,000 roubles." In a footnote it is stated that the figures are taken from the Year-book of the Department of State Control, and that "in calculating the profits, all working expenses and interest or capital sunk in the construction and improvement of railways are taken into account." It is, however, very difficult—indeed impossible—to reconcile these figures with those given in the semi-official "Bulletin Russe de Statistique Financière et de Législation" for 1901. Here the expenses and receipts of the State railway system as they appear in the annual Budgets from 1886 to 1900 are summarised in the following table:—

[1] In the Report of 1900 M. de Witte gives the length of the railway system "exclusive of the Eastern Chinese Railway, which is not in Russian territory." In his Report for 1902 the total is given *inclusive* of the Eastern Chinese Railway without further comment.

TABLE A.

	Expenses.	Receipts.	Gain or loss.
	Roubles.	Roubles.	Roubles.
1886	101,235,594	63,331,392	− 37,904,202
1887	98,441,257	64,143,538	− 34,297,719
1888	101,879,360	84,149,838	− 17,729,522
1889	107,235,964	91,313,237	− 15,922,727
1890	136,459,763	97,191,293	− 39,267,840
1891	130,398,647	107,538,531	− 22,860,116
1892	142,905,128	120,167,386	− 22,737,742
1893	153,905,031	128,274,489	− 25,630,542
1894	183,115,228	165,131,934	− 17,983,294
1895	242,811,956	226,557,469	− 16,254,487
1896	278,283,293	322,309,819	+ 44,026,526
1897	308,683,051	302,868,669	− 5,814,382
1898	346,274,521	374,186,798	+ 27,912,277
1899	368,211,866	370,976,932	+ 2,765,066
1900	399,694,006	387,671,245	− 12,022,761
*1901	457,710,843	388,703,204	− 69,007,639
1902	511,839,550	422,962,769	− 88,876,781
*1903	542,321,997	439,967,012	−102,354,985

* The figures for the last three years are taken from the Budgets. The proportion of the public debt (including interest and amortisation of loans for railway purposes) has been reckoned for each of these years as 107,000,000 roubles, the sum reckoned for 1900 in the "Bulletin Russe"; but no account has been taken of the part of the expense of the State Control Department due to the railway system, as this does not appear in the Budgets.

The items which are here included as receipts are: (1) gross receipts of the State railways; (2) annual payments from private companies; and (3) the tax upon goods and passenger traffic. The expenses include: (1) that portion of the annual payments on the public debt due to capital sunk in railways or the State guarantee of railway stock; (2) the working expenses of the State railways; (3) loans to railway companies; (4) improvement of existing lines and the increase of rolling stock, etc.; and (5) the expenses of the State Control Department in connection with the railways. From this table it appears that the only years in which the working of the railways resulted in any net gain to the State were 1896, 1898, and 1899.

Another method of calculation is adopted by MM. Lehmann and Parvus in their work on "Das hungernde Russland," where the following table appears :—

TABLE B.

	Gross receipts of State railways.	Total expenses.[1]	Gain or loss.
	Roubles.	Roubles.	Roubles.
1888 . . .	22,300,000	29,400,000	− 7,100,000
1889 . . .	33,400,000	36,900,000	− 3,500,000
1890 . . .	49,300,000	61,200,000	− 11,900,000
1891 . . .	60,700,000	52,500,000	+ 8,200,000
1892 . . .	74,400,000	58,600,000	+ 15,800,000
1893 . . .	85,100,000	72,400,000	+ 31,800,000
1894 . . .	116,000,000	85,900,000	+ 30,100,000
1895 . . .	194,700,000	134,800,000	+ 59,900,000
1896 . . .	293,300,000	165,500,000	+ 127,800,000
1897 . . .	277,800,000	194,100,000	+ 83,700,000
1898 . . .	291,500,000	229,300,000	+ 62,200,000
1899 . . .	311,800,000	251,200,000	+ 60,600,000
1900 . . .	330,900,000	283,600,000	+ 47,300,000

This table differs from the preceding one in dealing only with the railways owned by the State, whilst Table A includes the receipts and expenses accruing to the Treasury from private railways to which it has advanced loans, or for which it has given a guarantee. Table B also takes no account of the capital sunk in railway construction or of the advances to, or repayments made by, railway companies. MM. Lehmann and Parvus call attention to this omission, and show that the interest on capital should be set off against the profits on the working expenses, when the apparent annual gain becomes an actual deficit. Thus for the year 1900 they give the actual financial position of the railway system as follows :—

[1] The expenses in this table include the working expenses of the State railways, and the improvement and enlargement of existing lines.

Receipts.	Roubles.	Expenses.	Roubles.
Profits on working	47,400,000	Interest on capital sunk before 1897	110,600,000
Payments to State from private lines	10,500,000	Interest on capital sunk 1897-9	15,000,000
Share of profits on private lines	1,800,000	Guarantees to private companies	5,900,000
Tax on passenger and goods traffic	10,500,000		
	70,200,000		131,500,000

And thus there appears to be an actual deficit of 61,300,000 roubles for the year.

Whichever method of calculation is adopted, it becomes clear that on the one hand the profits on working have been steadily diminishing since 1896, and on the other that the indebtedness of the State due to the capital sunk in the railways is as steadily increasing. The above figures are based upon those contained in the ordinary expenditure and receipts in the Budgets, but the growing indebtedness of the State is still more evident when we take into account the amounts entered under the head of extraordinary expenditure. During the last six years these have been as follows[1] :—

	1898.	1899.	1900.	1901.	1902.	1903.
		In millions of roubles.				
Construction of the Siberian Railway	37·4	27·1	25·1	7·2	12·4	2·4
Auxiliary undertakings in connection with the Siberian Railway	3·7	3·7	3·4	3·0	3·3	3·4
Construction of other railways	23·5	24·7	30·5	31·9	149·8	145·1
Purchase of rolling stock for railways	49·2	46·8	43·7	—	—	—
Loans to private railways, on the security of bonds guaranteed by Government	—	—	85·0	82·0	—	9·2
Payment of capital before date on certain railway bonds	—	6·5	—	—	—	2·4
	113·8	108·8	187·7	124·1	165·5	162·5

[1] Reports on Budget for 1900 and 1902. "Das hungernde Russland," Lehmann und Parvus, pp. 476-90. "Russia: its Industries and Trade," pp. 44, 45. "Bulletin Russe de Statistique Financière," 1901, A., pp. 30, 31.

The policy pursued by M. de Witte in the development of the State railway system, and his statements with regard to its financial results, have alike formed the subject of numerous criticisms, especially at the hands of recent German and Russian writers. Attention has already been called to two points against which criticism has been directed, but these may be briefly recapitulated. One is the practice followed in the arrangement of the Budgets of classifying loans to private railway companies as extraordinary expenses, whilst the repayments of such loans are entered as ordinary revenue; while the other is the fact that in calculating the profit on working, the interest on the capital sunk in the railways is not set off against it. The further chief subjects of criticism are as follows:—

(1) It is pointed out that the constantly increasing profits on working between 1891 and 1896, which appear in Table B, were really due to an extreme economy in the expenses of working—an economy carried so far as to result in the depreciation of the railways and rolling stock, etc., so that the apparent gains were really made at the expense of capital. In 1891 and 1892 the expenses of working were actually less than they were in the year 1890, though the receipts continued to increase. Such a policy could not, however, be pursued for long, and the falling-off in the profits of working after 1896 was partly due to the necessity of a considerable increase in the expenses of working, and especially in the "strengthening and repairing of the lines."

(2) M. de Witte reckons the money spent on "strengthening and repairing" the line each year as added to the capital sunk in the railways, and therefore only includes the interest on such sums in the expenses of the year, instead of the whole amount. The Department of State Control, on the other hand, includes all the money spent in this way amongst the working expenses of the year. The latter method is the more correct, for in Russia the railway lines are

worked as economically as possible, so that the improvements and repairs undertaken are only those necessary for covering depreciations, and recur constantly year by year. They are therefore not real investments of capital.

(3) The same error affects M. de Witte's calculation of the value of the State railways, which he sets off against the public debt. He states that the increased value of the railways between 1892 and 1902 was 2,600,000,000 roubles, and arrives at this result by the simple method of adding together all the capital sunk in the railways, including the amounts spent on "strengthening and repairing" the lines, which we have seen are not investments of capital at all. M. Butmi, one of the critics, points out that the true method of ascertaining the actual financial value of the railways is by capitalising the profit on working. If this be taken at 74,300,000 roubles, and capitalised at 4½ per cent., the actual value is found to be about 1,650,000,000 roubles. It must, however, be noticed that a large part of the capital spent during the last ten or twelve years has been used in the construction of new railways, which cannot as yet be expected to return any profits, and that M. de Witte naturally looks for returns from them in the future. But even when this is taken into account, his method of reckoning the value of the railways cannot be justified, nor the results accepted as correct.

(4) An example of the small reliance that can be placed upon the official statements of the late Russian Finance Minister is to be seen in his observations with regard to the net profits from the railways in 1896. In 1897 the "Bulletin Russe" announced that during the preceding year the State railways had for the first time made a profit, which was estimated at 34,771,045 roubles. In 1898 the "Bulletin Russe" again gave the results of the State's railway management in 1896, the profits this time being quoted at 28,000,000 roubles, with the explanation that in the

former calculation the profits of a private railway company had been included by inadvertence. And finally, in the Report on the Budget for 1900, M. de Witte states that the profits of the State railways in 1896 were 11,300,000 roubles. The reason for this reduction appears to have been that in the former calculations the Minister of Finance did not take account of the whole amount of capital sunk in the railways, but only of that expressly written off for the purpose. A considerable part of the Russian railways have, however, been built without the aid of any special loan; and in the case of these railways the "Bulletin" had reckoned the receipts as profits, without taking any account of the costs of construction.

(5) Further, the net profits, of which M. de Witte speaks, appear to be very problematical when the costs of construction and the receipts of the Russian State railways are compared with those in other countries. It is true that the cost of the Russian railways has been small as compared with those elsewhere, *e.g.*, in Prussia; but, on the other hand, the receipts per kilometre in Prussia are more than double those in Russia, so that the net profit in Prussia per kilometre is more than the gross takings in Russia.[1]

When all these facts are taken into account, it appears to be clear that, from a purely financial standpoint, the State railways in Russia are not at present a profitable undertaking, and do not represent any source of income to the State, but rather a heavy loss, which, having to be met from other sources, is annually adding to the burden of the public debt. So far as the policy of the Minister of Finance can be justified, it must be on the ground of the future returns which are expected from the railways financially, and of the benefits which they confer upon the country

[1] "Das heutige Russland," von der Brüggen, pp. 40-43. "Das hungernde Russland," Lehmann und Parvus, pp. 465, 476-88. "Das Finanzsystem Witte," Paul Rohrbach, pp. 24-33.

in other ways. Thus there can be no doubt that they foster commerce, and have helped to maintain a favourable balance of trade during recent years by facilitating the export of grain and other agricultural produce. M. de Witte has, as we have seen elsewhere, given every encouragement in this direction by affording extraordinarily cheap rates for the transport of grain, butter, etc., and providing special cars and other facilities of transport. No doubt trade has in this way been stimulated and even called forth for the first time in some distant regions of the empire, but there are many Russian economists and others who see no increase of prosperity to the State, but rather the reverse, in this carrying away of the harvests from the famine-stricken peasantry. Other industries too have profited largely for the time by the construction of these enormous lengths of railway, notably the iron and steel industries in South Russia, which were maintained for several years in a state of artificial prosperity dependent upon Government orders. Whether, however, they have sufficient vitality to survive the period of depression which followed, and was partly due to the falling off in these orders, is not yet quite apparent. Further, there is the political and military aspect of the railways to be considered, and no doubt some of those which are least likely to be successful from a financial standpoint, are of the greatest strategical importance.

Still, from whatever point of view the railway system is regarded, the Finance Minister has to face the problem whether the benefit it brings outweighs the cost to the country, and, if the report of the secret sitting of the Russian Imperial Council in January 1903, which appeared in a Russian pamphlet published at Stuttgart, may be accepted as authentic, this has already caused him great searchings of heart. The statements with regard to the railways attributed to M. de Witte on that occasion, and apparently not officially denied, are important enough to be quoted in full :—

"With regard to revenue derived from railways there had been three very different and distinct periods of development. The first period, from 1885 to 1894, was one in which, owing to the recent purchase of the private railways and large expenditure for betterment, considerable grants in aid had to be made by the Treasury. These grants reached their maximum in 1886, when they amounted to 63,000,000 roubles. During the second period—1895 to 1899 inclusive—a careful system of administration actually turned the deficit into a surplus, which in 1896 exceeded 11,000,000 roubles. But the opening for traffic of several sections of the Siberian Railway gradually reduced the surplus. In 1899 it fell to little over 1,000,000 roubles.

"The year 1900 marked the beginning of the third period, characterised by renewed and rapidly increasing deficits to be met by the Treasury. The deficit for 1900 amounted to 2,600,000 roubles, and in 1901 jumped up to 32,900,000 roubles. In 1902 the loss to the Treasury in connection with the exploitation of railways will be found to have reached 45,000,000, and in 1903 not less than 51,000,000 roubles. To this must be added for the second half of the year a further loss of 9,000,000 roubles arising out of the exploitation of the Eastern Chinese Railway, which is to be thrown open to traffic on July 1st. Thus in 1903 the total excess of railway expenditure over receipts will reach the enormous sum of 60,000,000 roubles. For the year 1904 we must double the deficit on the Eastern Chinese Railway, and in 1905, as soon as the Sedlets-Bologoi and Orenburg-Tashkent lines are opened, fresh contributions will have to be made by the Treasury for their maintenance—viz., 8,200,000 roubles for the former and 7,300,000 for the latter, or altogether 15,500,000 roubles. Within two years the deficit on the working of the entire railway system will reach 84,500,000 roubles.

"The Minister of Finance was compelled to ascribe this situation mainly to the enforced construction

of railways of a political and strategic character during the last ten to fifteen years. He is profoundly convinced that to develop her economic power Russia will still for a long time have to build several thousand versts of railways every year. The construction of railways which are of economic value need cause no apprehension. It is quite another question with railways that are purely of a political and strategic value, such as the Novoselitz branches of the south-western railways, the strategic lines in Poland and in West Russia, the Ussuri and Central Asiatic Railways, the southern branch of the Eastern Chinese Railway, and others. These railways will not for a long time pay even the interest on the capital laid out in construction, while some do not even cover their working expenses. Between 1893 and 1903, no less than 61,500,000 roubles have been granted for betterment of purely strategic railways, besides other expenditure incurred on purely military grounds." In the report of this secret session it is further stated that the "Council of State, having recapitulated M. de Witte's arguments and generally endorsed them, reiterated his warning against the steady increase of departmental expenditure. . . . Bearing in mind the gravity of the situation disclosed by the deficit which the railway administration had shown since 1901, and the complexity of the causes producing this result, the Council of State desired the Finance Minister to investigate the question thoroughly, and as soon as possible, in concert with the Minister of Communications and the Imperial Controller."[1]

4. Spirits Monopoly

Government control of the liquor trade in Russia dates back to the first year of the seventeenth century, and ever since that time the income derived from the

[1] *Times*, June 15th, 1903. "Das heutige Russland" von der Brüggen, pp. 40-43. "Das Hungernde Russland," Lehmann und Parvus, pp. 476-88. "Das Finanzsystem Witte," Paul Rohrbach, pp. 24-33.

taxation of alcohol has formed an important part of the revenue of the State. Fiscal considerations have accordingly been paramount in all the different systems of control hitherto practised, but the desire to check drunkenness and to protect the health and economic well-being of the peasantry has also exercised a varying degree of influence. Since 1767 four systems have been pursued:—

(1) From 1767–1819 the exclusive right of selling spirits was granted to private persons. This system was found to be very unfavourable in its fiscal results, as the revenue from spirits decreased year by year, and was most injurious to the people, "the owners of the concessions doing their best to poison and corrupt the population for the greater benefit of their own pockets."

(2) In 1819 distilleries were monopolised by the Government, and the wholesale trade carried on in Government stores, the right of retail trade being granted only to a few private persons. Under this system the decrease of drunkenness was so marked that there was a serious falling off in the revenue from spirits. The system was therefore abandoned, partly for fiscal reasons and partly because of the great influence of some of the holders of the old concessions.

(3) From 1827-63 a reversion was made to the old system of leasing the retail sale of spirits to private persons, whose interest it was to push the sale of drink by all the means in their power. It has been stated that this system was at least successful as a means of collecting revenue, the average annual return during the last years of the farming system being £12,500,000 for a population of 41,000,000; but although the farmers paid this large sum for the right of selling spirits, their own profits were enormous, and it was plain that a rich source of revenue was being diverted into private hands.

(4) When the term of the farming contract expired, December 31st, 1862, the system was superseded by

one of excise. From 1863 to 1894 the production of spirits was free; distilleries of a certain size might be opened without limitation of number, provided that duty was paid on the instruments of production and on the amount produced. Distribution was also free when once the tax imposed had been paid. The trade in alcohol was declared to be on the same footing as any other trade, and spirits for consumption off the premises could be sold in all retail shops.

The Government, by affording facilities for obtaining spirits cheaply and easily, had hoped to promote a regular and moderate consumption. This expectation was disappointed; the peasantry continued to drink as before, not regularly but very heavily, and the spirits consumed were of bad quality and extremely injurious to health. The consumption of spirits in Russia proper during the first year of the excise system doubled, according to *The Journal of Financial Statistics*, while three times as many public-houses were opened, and the number of cases of open intoxication was six times as great as before. The gain to the revenue was by no means proportionate. The income derived from spirits in 1863 was £18,000,000, or only £1,000,000 more than the revenue obtained during the last years of the farming system, including that of Poland and the Caucasus. The very low original duty of 4 roubles per vedro[1] was accordingly raised in 1864 to 5 roubles, and in succeeding years the duty was again repeatedly raised until it reached 10 roubles per vedro. The raising of the duty was accompanied by a decrease in consumption, and hence by a relative, though not absolute, falling off in the revenue. A further effort to regulate the drinking habits of the people was made in 1885, when a law was passed limiting the number of places for the sale of drink, prohibiting the sale of spirits by the glass or in uncorked bottles, except in restaurants where food was also served (*traktirs*), and requiring that distilleries

[1] 1 vedro = 2·7056 gallons.

and wholesale warehouses should possess a licence varying in cost from £21 to £42.

The excise system nevertheless did not realise the chief expectation on which it was based; it did not destroy the evils connected with the public-houses, nor did it make the consumption of spirits more regular and steady. No improvement could be looked for from increased taxation, as the people were already taxed to the utmost, and were paying at least two and a-half times as much as their neighbours in Germany. In 1863 the excise income was 138,000,000 roubles, while in 1894 it reached 287,000,000 roubles. Thus in 1863 the excise duty represented 1 rouble 87 kopeks per inhabitant, while in 1894 it had increased to 2 roubles 47 kopeks.[1]

The initiation of the present system of Government monopoly was due to the Tsar Alexander III., who in 1885 called upon M. Bunge, then Minister of Finance, to draw up a plan for introducing a State liquor monopoly by way of experiment into certain provinces. Neither M. Bunge, however, nor his successor, M. Vishnigradski, felt able to interfere with the existing system, which was producing a very fair return to the revenue. It was left for M. de Witte to introduce a system which, besides increasing the revenue, should transfer an immense mass of interest and influence from the local authorities to the central administration.

The undoubted wish of the late Tsar to diminish the evils caused by excessive drinking was the main reason for the new measure given in official publications, where the objects aimed at were said to be the following:—(1) The exclusion of private interests from the drink trade and the consequent transfer of public-houses to Government agents who receive a salary and are not personally interested in increasing sales;

[1] *Russian Journal of Financial Statistics*, 1900, pp. 33-47. *Journal of the Royal Statistical Society*, March 1901. "Das hungernde Russland," Lehmann und Parvus, pp. 469-74.

(2) the promotion of off-consumption; (3) an improvement in the quality of the spirits sold; (4) the promotion of temperance by means of temperance societies. In addition to arranging that drink should be sold only by disinterested agents, the law enacts that drink shall not be supplied on credit. The business of distilling is left to private enterprise, but the amount to be produced is fixed by the Government, which undertakes to buy two-thirds of the quantity required at a fixed price determined by the Minister of Finance in accordance with the price of grain and potatoes, and the other expenses of production. The remaining third is bought by auction. The Government itself undertakes or supervises the rectification of spirits, which are then bottled, corked, and delivered to the shops. Retail trade is carried on in shops managed by the Government or by private persons specially entrusted with the sale of liquor. Shops which do not provide food are prohibited from selling any spirits for consumption on the premises. Bottles must be removed with the seals or labels intact from the place where they are sold. Country restaurants (*traktirs*) may sell spirits for on-consumption at a price fixed by the Government, and the same permission is accorded in towns to restaurants and railway buffets. The Government monopoly system was introduced as an experiment in 1894 in the four eastern governments of Perm, Ufa, Orenburg, and Samara, and gradually extended over the whole empire, until in 1902 even Siberia was included.[1]

It is impossible with the information at present at our disposal to discover whether drunkenness has or has not decreased since the law came into force. The official reports declare that it has decreased; but competent observers, such as Mr. J. Michell, H.M. Consul-General at St. Petersburg, M. Issaieff, and MM. Lehmann and Parvus, affirm that it has not,

[1] "Russia: its Industries and Trade (Glasgow Exhibition)," chap. xviii. *Russian Journal of Financial Statistics*," 1900, pp. 47-62.

and could not be expected to do so, in consequence of a law which was based on nothing but financial considerations. It is, however, generally admitted that the number of dram shops has decreased since the passing of the law in a very striking manner. The shops where wine and beer are sold have increased; but this fact is evidently not viewed with any apprehension in Russia, as M. Raffalovich, in a paper read before the Royal Statistical Society, describes such shops as selling "non-intoxicating beverages only." The following table shows the number of drink shops in the thirty-five provinces where the monopoly was in force in 1898, as contrasted with the number in 1894:—

	1894.	1898.
Off-consumption:		
(a) Governmental	—	16,974
(b) Private	14,121	2,305
Private shops for on-consumption:		
(a) Selling spirit	48,033	7,617
(b) Selling only wine and beer .	9,619	13,210
Total	71,773	40,106

The number of private shops for the sale of alcoholic beverages was thus 23,132 in 1898, as compared with 71,773 in 1894, so that there was a diminution of 48,641. But as 13,210 shops selling only wine and beer are included in this number, the number of dram shops, the most dangerous kind of all, is reduced to 9,922. The closing of so large a number of public-houses has of course greatly diminished the working expenses of the new system. Town restaurants present little temptation to the peasant, because the price of the food sold in them is relatively high; but with *traktirs* the case is different, for there a morsel of bread and fish may be made the excuse for an

unlimited quantity of drink. *Traktirs* seem to be attracting to themselves that portion of the population which formerly frequented the *vodka* shop, and, although the cost of a licence is very high, their number is increasing.

The prohibition of on-consumption is another provision of the law the wisdom of which is open to question. M. Issaieff observes that, however harmful the *vodka* shop may have been, drinking was at least not carried on under the eyes of children. The new law transfers the process of intoxication from the comparative seclusion of the public-house to the home, where no doubt a good wife would have a good deal to say on the subject, but where the children may become accustomed to the sight and be more readily influenced to follow the bad example. Even if the peasant does not carry his *vodka* home, the streets and public gardens remain open to him, and it is a fact, which even official reports do not deny, that street drunkenness has greatly increased since the new law came into force. In Orenburg, one of the first provinces where the monopoly was introduced, it has been necessary to increase the number of the police in the immediate neighbourhood of the Government drink shops. It is also stated that secret drink shops have sprung up with which the police do not interfere because they are bribed by the proprietors. An official correspondent quoted by M. Issaieff calls attention to the fact that in the first half of 1898 the number of prosecutions for infractions of the excise law was 84 compared with 76 in 1894, and that this increase of smuggling must be borne in mind as counter-balancing the decrease in the consumption of spirits as officially returned. Mr. J. Michell in his report for 1901 gives figures to show that the total consumption of spirits had increased since 1894, and chiefly in those provinces where the monopoly had been longest in force.

During the five years previous to the introduction of the State monopoly (1890–94) the total

consumption amounted to 114,779,000 vedros (286,947,500 gallons), whilst during the following five years (1895–9) it amounted to 121,682,000 vedros (304,205,000 gallons). "According to the report of the Auditor-General for 1898–9," Mr. Michell states, "when the monopoly sale was extended to 35 provinces of the empire, there were sold within the limits of that area in 1898, 83,997,907 gallons, and in 1899 91,746,140 gallons of 40° *vodka*, or 7,748,233 gallons in excess of 1898. It would further appear that within the limits of European Russia, where the monopoly system was in force, the increase in 1899 as compared with 1898 of the consumption amounted to 5,475,600 gallons of spirit. This clearly proves that the object of diminishing inebriety has not been attained by the monopoly scheme; for not only has drunkenness not decreased, but on the contrary it has attained larger proportions under it. An unsatisfactory feature to be noted in the growing demand for *vodka* is that a failure of the harvest, and the consequent necessitous condition of the rural population, do not serve as a hindrance to increased intemperance. In his explanatory statement on the execution of the Budgets for 1897, 1898, and 1899, the Auditor-General testifies to the larger consumption of *vodka* in the various provinces of the empire which suffered from a great deficiency of grain crops, and in which the monopoly system had been introduced. Only in two provinces, Bessarabia and Kherson, in which there was an almost entire failure of the crops, had the demand for *vodka* considerably diminished. These figures indeed do not take any account of the growth of population, and *The Russian Journal of Financial Statistics* states that when the increase of population is taken into account the consumption per head is found to have diminished. Herr Rohrbach, on the other hand, thinks that there has recently been a slight increase in the consumption per head of the population, and quotes M. Butmi's statement that the consumption had increased from

2·40 litres (4⅕ pints) in 1893 to 2·54 litres (4⅜ pints) in 1900. There is no doubt that one part of the Government reform—namely, the foundation of temperance societies to provide rational recreation and non-stimulating beverages for the lower classes to counteract the evils arising from the sale of *vodka*—has only been partially carried out. In St. Petersburg and in some of the large provincial towns popular places of entertainment have been opened on a luxurious scale, but in country places practically nothing has been done. In the province of St. Petersburg the consumption of ordinary spirits actually increased by 13 per cent. when the monopoly was first introduced.

The reform in the sale of *vodka* has, in Mr. Michell's opinion, been limited "to diverting to the revenue of the State all the profit arising from the retail sale of *vodka*, which was formerly distributed among private proprietors of *vodka* shops and municipal and rural communities." Another possible objection to the new reform is undoubtedly here brought forward. The new law is not only an injustice to a large class (containing many honest men) engaged in the liquor-selling business, who have received little or no compensation, but it also takes away from the village communities a class of small capitalists—doubtless in many cases Jews—who cannot be replaced. The liquor-sellers may frequently have been of a bad type, but they could be depended on for a small loan, even if at ruinous interest; now there will be no one at all from whom the peasant can obtain money at a pinch. The direct loss occasioned to the *zemstva* and village communities by the transfer of the income arising from the sale of licences to the Central Government is a really serious matter and has already caused much dissatisfaction. Compensation, reckoned on a five-yearly average, is paid to the *zemstva* for the loss thus incurred, but the sum so obtained falls far short of former receipts. MM.

Lehmann and Parvus quote the following instance. The government of Samara claimed 20,000 roubles as compensation and received only 17,000. The village communities of the same government, however, to which formerly the greater part of the revenue from the sale of licences was assigned, received no compensation at all, although the estimated loss for the three years 1895–7 amounted to 1,050,000 roubles per annum. The schools, previously supported out of this fund, had ceased to exist. Under the new law distilleries and public-houses may be rated by the local authorities as ordinary premises only, and this of itself is a fruitful source of loss to the localities. There is a further result of far-reaching importance for the future, to which a brief reference must be made. The provinces have hitherto been the seat of the only germ of free institutions and autonomous administration. It was possible to breathe because the central power was far removed. The new reform will plant a network of agents of the Central Government over the whole country, and place another weapon of enormous power in the hands of the Minister of Finance.

Although my own impression is unfavourable to the moral results of the liquor reform, the one conclusion, which it seems safe to draw from the information available, is that the revenue to the State from spirits has increased enormously. According to Mr. Michell the capital spent in establishing the monopoly up to 1899 has yielded a return of 106 per cent. "The reports of the Auditor-General show that during the years 1895-9 the sum of 75,230,774 roubles were expended in the establishment of the monopoly system, and that the net revenue derived from the sale of spirituous drinks during that period amounted to 79,863,635 roubles." The following table, compiled from the "Bulletin Russe" for 1901 and from *The Russian Journal of Financial Statistics*, shows the fiscal results of the monopoly, in thousands of roubles:—

	1895.	1896.	1897.	1898.	1899.	1900.
Receipts . . .	10,837	27,788	52,447	102,163	110,755	117,919
Working expenses .	7,009	24,268	41,990	64,300	76,239	87,825
Amortisation of initial expenses . . .	1,422	3,375	5,787	7,334	8,249	10,742
Net profit . . .	2,486	145	4,670	31,529	26,267	19,353

The amortisation of the initial expenses is reckoned at 10 per cent. of the capital paid out for such expenses. The working expenses, as given in the "Bulletin Russe," include an annual sum of from one to three millions, paid as bounties to producers and as indemnification for rectification. These bounties are, however, deducted in the calculations given in *The Russian Journal of Financial Statistics* on the ground that they are not really a part of the working expenses, and the same plan has been adopted here.

The figures for the last four years as taken from the Budgets are as follows :—

	1900.	1901.	1902.	1903.
	Roubles.	Roubles.	Roubles.	Roubles.
Receipts from Government sale of spirits	118,102,000	169,143,000	462,808,000	499,778,000
Receipts from tax on liquor . . .	292,951,600	318,797,000	34,593,500	29,549,000
Expenses of Government sale of spirits	94,422,839	131,122,795	153,332,993	167,517,598
Initial expenses of Government monopoly . . .	21,648,850	17,190,369	7,561,000	5,450,000

From this table it will be seen that, although the receipts from the Government sale of liquor have increased rapidly with the extension of the system, the returns from the excise have fallen off each year by a proportionate though smaller amount, so that the actual increase of revenue from the introduction of the monopoly is not so important as at first appears,

especially when the increase in the expenses of administration is taken into account. · But, on the other hand, it must be remembered that these figures are taken from the Budgets, in which the receipts are probably considerably under-estimated; and further that the initial expenditure has now been brought to an end by the completion of the system, and that the expenses of administration are not likely to increase in the future by any considerable amount.[1]

5. General Criticisms of Budget, etc.

M. de Witte's methods of presenting his financial statements and of drawing up the Budget have been the subject of many attacks, and errors of fact have been often suspected and in some cases proved by his critics. Amongst the criticisms directed against the Budget it has been pointed out that a very large sum of money in the aggregate is entered on the side of expenditure without being accounted for. In the Budget for 1903 this unspecified expenditure amounts to no less than 78,521,009 roubles, of which 47,957,058 roubles are entirely at the disposal of the Minister of Finance, appearing under five heads as follows:—

	Roubles.
Ministry of Finance—Miscellaneous expenses	8,302,885
,, ,, Reimbursable expenses	21,039,173
,, ,, Expenses arising from measures anterior to the Budget .	3,615,000
Possible increase of cost in food and forage	3,000,000
Possible unexpected expenditure during year	12,000,000
	47,957,058

[1] "Bulletin Russe," 1901, pp. 482-90. "La Question de l'Alcool en Russie." *Russian Journal of Financial Statistics*, 1900, pp. 47-62. "Russia: its Industries and Trade," ch. xviii. Henry Norman, "All the Russias," pp. 356-8. "Foreign Office Reports," No. 2860, 1902. Lehmann und Parvus, "Das hungernde Russland," p. 471. Issaieff, "Zur Politik des russischen Finanzministeriums," pp. 31-6. "Russia on the Eve of the Twentieth Century," p. 95. P. Rohrbach, "Das Finanzsystem Witte," pp. 20-22.

The remaining 30,563,951 roubles is apportioned in varying amounts between the Ministries of the Holy Synod, Foreign Affairs, War, Navy, Agriculture, Interior, Public Instruction, and Justice, and the management of the State studs, under the headings of Miscellaneous Expenses and Credit for 1904; but when it is remembered that sums credited to various Ministries, but not spent by them, flow back into the Treasury at the end of the year, it will be seen that a considerable portion of this sum also may eventually be at the disposal of the Minister of Finance. In any case nearly 79,000,000 roubles is a large sum to appear in the Budget without its use being clearly specified, and thus escape the control of of the State Audit.

Another point in the Budgets which has attracted criticism is the large amount of reserve which the Finance Minister has considered it necessary to maintain. In England, as a writer in *The Statist* points out, "it has been the fixed principle of Governments for nearly a century that no more ought to be taken out of the pockets of the people than is absolutely required for defraying the expenses of the State, and that if there is a surplus it ought at once to be employed in reducing taxation"; but M. de Witte, in his Report on the Budget of 1901, distinctly stated that "the Minister of Finance does not hold this view of the question." The reasons he gives in support of his policy are (1) that Russia has already a large national debt, and that the necessity of increasing it to meet an unforeseen expense would be dangerous; (2) that, even if a new loan is necessary, the presence of a reserve enables the State to defer the moment for contracting it until the money market is favourable; and (3) that owing to the immense extent and the diversity of the Russian Empire, the State must always be ready to cope with famine or some other unexpected calamity within its borders.

In reply to these arguments it may be urged that in spite of the surpluses, Russia has been obliged to contract a new foreign loan in one form or another nearly every year; and that, so far as the expenditure upon famine relief goes, Mr. Long has pointed out that the money expended in relieving famine in the whole ten years during which M. de Witte has been in power, "has not equalled the surplus of 1899 alone. The money has gone, as it was plainly intended to go, in building up the vast fabric of State ownership and State patronage which, under M. de Witte's *régime*, is proving the strongest pillar of irresponsible rule." We have already seen, in considering the free balance, what large sums of money the Finance Minister is by these means enabled to concentrate in his own hands, and to employ without any control by the Council of State or the State Audit Department; but we may refer here briefly to a very flagrant instance which occurred in 1898, when a sum of 90,000,000 roubles was spent upon enlarging the navy, which never appeared in the Budget at all amongst either the ordinary or extraordinary expenses. The only reference to it, and that quite incidental, was made in the Report on the Budget for 1899, in explaining the deductions that had to be made from the free balance in the preceding year, for "unforeseen" expenses. The same difficulty in ascertaining the actual amount of money which passes through the hands of the Finance Minister, and the exact objects on which it is expended, rendering any real public control of finance impossible in Russia, also makes the task of criticism very difficult, and often based on mere supposition.[1]

There are other points, however, in which M. de Witte's financial statements can be more accurately tested, and in which errors have been shown to occur.

[1] Lehmann und Parvus, "Das hungernde Russland," pp. 464-5. *Fortnightly Review*, January 1903. "M. Witte: Atlas of the Autocracy." *The Statist*, January 26th, 1901.

Some of these we have already noticed in considering the question of railway finance, and some other very striking instances are quoted by Herr Rohrbach. Thus in reckoning the amount of the public debt, M. de Witte leaves out altogether the money deposited by private persons in the State Savings Banks, which amounts to about 700,000,000 roubles and is really an internal loan, and also omits all the debts which do not come under the formal description of the State loans, but for which the State has given a guarantee or otherwise made itself responsible.

Again, in his anxiety to show that trade has largely increased, M. de Witte has fallen into several exaggerations or errors of fact. Thus, with regard to the cotton trade, an official report of the Minister of Finance in 1896 gave an impossible value for the total of the cotton fabrics produced in Russia, this being made up by *adding* together the values of the raw cotton imported, the yarn made from it, and the completed fabrics, whereas the value of the latter articles of course includes that of the raw cotton and yarn. When this error had been pointed out by critics, an official report issued in 1899 admitted it, but said that the mistake was balanced by the "attempts of the manufacturers to conceal the value of products," and in a further report in 1900 the old method was adhered to. Again, in his Report on the Budget for 1902 M. de Witte asserted that the use of petroleum per head of population had increased, between 1892 and 1900, 28 per cent., whereas a report issued by the Department of Indirect Taxes on the "Statistics of articles subject to excise or stamp duty for 1899," showed that the consumption of petroleum per head had actually fallen off by 4·9 per cent. between 1898 and 1899. When this discrepancy was pointed out, however, M. de Witte's only explanation was that he had used "more precise figures" for the statement in his Report to the Tsar. Although errors or discrepancies of this kind are not of a very vital character,

it is hardly to be wondered at if they have given rise to a good deal of scepticism with regard to those statements of M. de Witte's to which it is impossible to apply any test.[1]

6. General Financial Policy

Still more serious than the criticisms which have been directed against M. de Witte's financial statements, are those which have attacked the very essence of his financial policy, and the industrial and commercial policy which is bound up with it. Amongst the multifarious activities of M. de Witte's career as Finance Minister, two main lines of policy may be traced: he aimed at making Russia self-supporting by a system of protection and the artificial encouragement of native industries; and he aimed at concentrating the wealth of the country in the hands of the Government by the substitution of State for local taxation and the formation of State monopolies. Both these policies have been fiercely attacked, as not only inimical to the true welfare of the country, but as unsuccessful even from a purely financial standpoint. To begin with the second, we have already considered the railway and spirit monopolies at length, and need not again refer to them, but these huge experiments in State business management did not exhaust M. de Witte's energy or satisfy his ambition in this direction. In a recent article in *The Fortnightly Review*, Mr. Long states that "Two more giant monopolies have already passed the stage of conjecture, one a monopoly in name, the other a monopoly in fact." The former is the State appropriation of the trade in drugs and chemicals, a trade which has been hitherto almost exclusively in the hands of Germans in Russia. The

[1] P. Rohrbach, "Das Finanzsystem Witte," pp. 15-20, 33-4.

latter is described officially as follows:—"The chief Department of Indirect Taxation and State Sale of Liquor, with the desire to facilitate the purchase of tea and sugar in remote districts, proposes to provide for the sale of these products in the village public-houses." There is no avowal of a monopoly here, but, as Mr. Long points out, it will be easy for the Government, with the machinery of distribution already provided, to undersell the private traders, and thus to create a monopoly. There have also been persistent rumours in Russia of M. de Witte's intention to form a State monopoly of the sale of tobacco which would be a very feasible and lucrative measure.[1]

We have already pointed out, in analysing the Budget, that between 1893 and 1903, whilst the increase in the ordinary revenue was nearly 936,000,000 roubles, the part of it arising from direct taxation increased only by about 37,000,000 roubles. It has been claimed as a merit of M. de Witte's administration that the burden of taxation upon the peasants has been to some extent lifted and transferred to the commercial classes, and this is true as regards direct taxation. But with regard to the indirect taxation and to the State monopolies it must be noticed that a large proportion of their incidence does fall upon the poorest classes, and that the difficulty which is found in the collection of those direct taxes, such as the land tax, to which the peasants are still subject, is partly at any rate due to the impoverishment caused by the severity of indirect taxation. But this brings us to the question of protection and the attempts to maintain a favourable balance of trade for Russia.

In the Report attached to the Budget of 1903, the last presented during his tenure of the Ministry of Finance, M. de Witte gives the following table illustrative of the foreign trade of Russia during the preceding decade:—

[1] *Fortnightly Review*, January 1903.

Year.	Value of exports.	Value of imports.	Excess of exports over imports.
	Roubles.	Roubles.	Roubles.
1892 . .	417,000,000	329,000,000	88,000,000
1893 . .	539,000,000	388,000,000	151,000,000
1894 . .	627,000,000	486,000,000	141,000,000
1895 . .	638,000,000	468,000,000	170,000,000
1896 . .	632,000,000	509,000,000	123,000,000
1897 . .	662,000,000	480,000,000	182,000,000
1898 . .	669,000,000	531,000,000	138,000,000
1899 . .	570,000,000	561,000,000	9,000,000
1900 . .	655,000,000	544,000,000	111,000,000
1901 . .	684,000,000	495,000,000	189,000,000
1902 . .	783,000,000	483,000,000	300,000,000

From this it will be seen that during the Finance Ministry of M. de Witte the balance of trade remained favourable to Russia, and that the last year in which he held this office the excess of exports over imports reached a higher value than ever before. A favourable balance, though of far smaller amount, had indeed existed since the late 'seventies, following upon some ten years of unfavourable balances, and had been considerably increased under M. Vishnigradski's policy of protective tariffs and rigorous collection of taxes from the peasants. For the payment of taxes in money by the peasants, as we have seen elsewhere, necessitates the sale of their corn, and hence there is more corn for exportation. Both these processes have continued under M. de Witte, and since 1899 the gradual increase in the excess of exports over imports has been due to a continued diminution of imports as well as to constantly increasing exports.

The causes of this apparently prosperous condition of commerce are, according to M. de Witte, threefold. "First, we export constantly increasing quantities of certain goods, besides cereals; next, we are reducing our importation of machinery and apparatus required for metal works and factories; and finally, our national industry now provides our markets with a great many articles of consumption which formerly came from

abroad." The objects which M. de Witte set before him at the beginning of his Ministry have therefore been to some extent realised, and his policy appears to have been in part at least justified by its results. But his critics, both Russian and foreign, see another side of the picture, and point out that, while the favourable balance of trade has grown larger, the poverty of the population has deepened, and that greater exports of corn and other agricultural produce have meant not only less consumption, but in some cases even less production of food at home.

It is the condition of agriculture in Russia, indeed, that offers the most serious obstacle, not only to the general prosperity of the country, but also to the continuance of its financial solvency. Industries have been founded in Russia with foreign capital, and it is with the money obtained from foreign loans that M. de Witte has developed his great railway schemes. Hitherto Russia has maintained an excellent reputation for the regularity with which she pays interest to foreign creditors, but it is only by maintaining a favourable balance of trade that she can continue to do this. Now, although M. de Witte says truly that the exports of other articles besides cereals are increasing, the fact remains that the exportation of industrial produce is still too small to have any appreciable effect, and is less than one-seventh of the value of the manufactured goods imported. Five-sevenths of the Russian exports are still made up of agricultural produce, and in the remainder timber and wooden goods and naphtha and naphtha oils take an important part. It is therefore upon the agricultural exports, and especially upon the exports of grain (the value of which in 1901 amounted to 344,000,000 roubles), that the favourable balance of trade must depend. At the same time we must remember that in Russia nearly 78 per cent. of the population are agriculturists, and more or less dependent upon agricultural produce for their support;

and we shall see that in order to maintain this population in health and efficiency, and also to keep up the same rate of exports, a very rich and fruitful condition of agriculture would be necessary. What, however, are the facts? In Russia the yield per cultivated dessiatin is lower than in any other European country, the *maximum* yield in Russia being actually below the average yield of the country next to it in the scale (Servia). Belgium, which stands at the head of the list, produces on an average 128·5 poods of grain per dessiatin, whilst the Russian average is 38·8 poods Compared with the number of the population, moreover, the figures are even worse; for Russia *produces* less corn per head than is *consumed* per head in other countries, and yet ranks as the second corn-exporting country in the world. Germany, which produces rather more per head of population than Russia does, has to import considerable quantities of corn, and does so largely from Russia.

It is no wonder that famines are now of constant occurrence in some part or other of the empire, and that, as Mr. Long asserts, "the consumption of bread *per capita* has fallen off about 70 lb., that the rejected from military service have increased about 14½ per cent. during the last seven years, and that the people in the richest provinces in the empire have come to live so miserably that the increase in their numbers has altogether ceased." The financial question is rather, How long can the export of corn be maintained? In attempting to answer this, the possible resources of Siberia must be taken into account; but, as we have seen elsewhere, these are not at present very promising, and it is in the peasantry and agriculture of European Russia that the economic strength of the empire must lie. The policy of M. de Witte has to a large extent overlooked this fact. He has, it is true, done a great deal to encourage the export of agricultural produce, by providing railways and steamers and introducing special low tariffs for its transport; but one effect

of protection has been to check the importation of agricultural machinery, and to make any implements of iron an almost impossible luxury in the peasants' huts, and thus to keep agriculture always at the primitive stage represented by the wooden plough. And as a further result of the high price of all the necessaries of life, due to indirect taxation, and the consequent poverty of the peasants, the numbers of cattle and horses kept by them are diminishing and the land suffering from the want of manure. It has been calculated that the Russian peasant pays two and a-half times as much as the German peasant for his cotton and sugar, four and a-half times as much for iron, and six times as much for coal, reckoning the price in the quantity of corn which must be produced as the equivalent in value.

M. de Witte himself appears to have been fully aware for some time past of the evils involved in the protective system, although he regarded it as necessary for the time. At a meeting of the Imperial Commission for the regulation of the grain trade in March 1899, he spoke of "the deceptive mask of patriotism," behind which "lie selfish interests which are opposed to the genuine interests of the nation. The protectionist system no doubt conferred benefits on us, but it was a very expensive school. It now weighs heavily on almost all classes of the population. The country ought therefore to get rid of it as quickly as possible, and for this purpose it is necessary to attract to the national industry a large amount of cheap foreign capital. By that means the general level of technical knowledge will be raised, industrial methods will be improved, and more active healthy competition will be introduced." This aim has not, however, been achieved during M. de Witte's tenure of office as Minister of Finance, and the depressed condition of the protected industries during the last three years has given no opportunity for the lessening of protection. Even in M. de Witte's last Budget Report, which

contains in some respects a favourable picture of the economic and financial condition of the country, he has to confess that "during the course of the year just ended no improvement has been shown in this quarter"—*i.e.*, in the chief manufacturing industries. "On the contrary, the embarrassed conditions have been intensified."[1]

[1] *Fortnightly Review*, January 1903. P. Rohrbach, "Das Finanzsystem Witte." A. A. Issaieff "Zur Politik des russischen Finanzministeriums." *Times*, March 1899. For the Budget of 1904, cf. Appendix 7.

CHAPTER VI

POLAND, FINLAND, AND THE BALTIC PROVINCES

1 Introductory.—2. Poland: (*a*) History and Government; (*b*) Land Tenure; (*c*) Agriculture; (*d*) Industry; (*e*) Trade with the East; (*f*) Political Condition; (*g*) Report of Prince Imeretinsky.—3. Finland: (*a*) Geography; (*b*) People; (*c*) Government; (*d*) Religion and Education; (*e*) Agriculture; (*f*) Forestry; (*g*) Industries; (*h*) Commerce; (*i*) Recent Events.—4. Baltic Provinces: (*a*) History; (*b*) Agrarian Reforms; (*c*) Agriculture; (*d*) Industry; (*e*) Ports.

1. Introductory

The Kingdom of Poland, the Grand Duchy of Finland, and the three provinces of Livland, Estland, and Courland, present a most curious and interesting problem in statesmanship. They are, or have recently been, the scene of systematic and relentless persecution: their constitutional rights, their self-government, their religion and education have all been menaced, restricted, almost extirpated, and yet these three districts surpass all other parts of the Russian Empire in culture, wealth, and prosperity. Central Russia is weak, her borders are relatively strong. "Her doles to industry have placated the Poles, her tribute export trade profits the Baltic Provinces." But the true sources of their prosperity lie deeper than this, and must be sought, not in tariff-created industries, but in the character of the people. The Finlanders, as will be seen, have been moulded through centuries by a severe climate and a hard struggle with nature into habits of thrift, industry, and perseverance. In the Baltic Provinces the nobles and clergy are German, and up to 1886 the German

language, the Lutheran religion, and a large measure of local self-government, with its concomitants of free public service and public spirit, flourished there. The German element in Poland has been a prime factor in its recent industrial development, and the high level of popular education insisted on by the Lutheran Church in Finland and the Baltic Provinces has done much to advance their material prosperity. The progress of the subject races on the borders of the empire and the simultaneous decay of the dominant race presented a problem of the gravest national importance. The attempts which have been made to solve it form the subject of the present chapter, but the result, as will be seen, has not been that which its initiators expected. The policy which heaped favours upon the extremities of the empire while the centre was exhausted with taxation has been reversed, and a policy of Russification and unification adopted, whereby it was hoped that the subject races might be brought into line with the Slavonic masses of the empire. After fifteen years of repression and persecution, however, the Poles and Finns and the inhabitants of the Baltic Provinces have grown in numbers and in wealth, "with the result that Russia proper to-day is not only hopelessly behindhand in culture, but she lacks altogether the economic preponderance which alone could perpetuate her present uncemented union."[1]

2. Poland

At the beginning of the nineteenth century Poland was under German rule; from 1807 to 1815 it enjoyed the status of an independent Grand Duchy; in 1815 it was annexed by Russia but retained local self-government till 1830; from 1830 to 1850 it was under Russian rule with a customs barrier; in 1864

[1] "Das Staatsrecht des russischen Reiches," p. 217. *Fortnightly Review*, June 1903, p. 972.

it became in all respects an integral part of the Russian Empire, and the very name of Poland is now avoided in Russian State documents, which substitute the geographical expression "district of the Vistula." This "district" is administered by a Governor-General, who resides at Warsaw, and is endowed with very extensive powers: he exercises the function of commander-in-chief in times of war; he may arrest, try, and banish any persons whom he thinks dangerous to the State; he is censor of the press, and may suspend newspapers and punish editors; he may also punish at discretion the omission of prescribed religious functions, or the observance of unauthorised political or religious commemorations. Under him are ten governors who administer the ten governments into which the kingdom is divided. The population of Poland in 1901 was 11,168,176 persons, of whom the majority were Roman Catholics. The precise figures for all religions were:

788,480	or	7·06	per	cent.	Orthodox.
8,300,263	,,	74·32	,,	,,	Roman Catholic.
489,105	,,	4·46	,,	,,	Protestants.
1,564,675	,,	14·01	,,	,,	Jews.
16,753	,,	0·15	,,	,,	Mohammedans, etc.

The general administration, including education, is organised as in Russia; the Russian language is the only one permitted to be taught in Polish schools. In districts where Jews are allowed to settle, Jewish boys may form 10 per cent. of the scholars in secondary schools; where they have no settlement, the proportion is limited to 5 per cent.[1]

The present condition of agriculture in Poland cannot be understood without a brief reference to the laws which in the past have controlled the existence of the agricultural classes. Up to the year 1807 the peasants of Poland were serfs, *adscripti glebae*, and, although they were not his personal property as in

[1] "Das Staatsrecht des russischen Reiches," pp. 20, 217. "Foreign Office Reports," Annual Series, No. 2578. "Consulaire Verslagen en Berichten," July 1902; February 1903.

Russia, could not leave the estate to which they belonged without the sanction of their landlord, to whom they were bound to give two or three days' labour a week in lieu of rent. In 1807 they were released from this tie to the land and from the obligation to work for the landlord, but the theoretical advantages which this legislation conferred turned out to be illusory. The peasant who had formerly enjoyed at least the advantage of security of tenure now became a tenant at will ; it was the landlord's interest to diminish the number of his tenants as far as possible and to incorporate their holdings with the manor lands. During the period 1807 to 1864 nearly half the peasants lost their land and were reduced to the position of farm labourers, and a feeling of estrangement grew up between the landowners and the peasantry which, though mitigated by subsequent measures, still exists. A Ukase of 1846, establishing tenant right and forbidding landlords to incorporate the holding of an evicted tenant, remained a dead letter, because the Administrative Council of the kingdom, to whom its execution was confided, delayed taking action upon it for twelve years, and in the meantime evictions went on as before.

The events of 1864 proved the value to the Government of a loyal peasantry, and it was then decided to go to the root of the land question by making the peasants the freeholders of the land they occupied, and severing all the liens by which they had hitherto been bound to the landlords, the latter receiving compensation more or less adequate. The Ukase of February 19th (March 2nd), 1864, gave to the peasants all lands actually occupied by them at that date, and further entitled them to claim, within three years, such unoccupied land as was in their possession in 1846, whether since incorporated in the manor or not. The freeholders thus created were to continue to have the right of providing themselves with wood from the landlord's forests, and the right of pasture, and instead of rendering forced service to the landlords were to

pay an Imperial land tax. This law gave freedom and security to actual occupiers, prevented the total absorption of small holdings by large estates, and greatly increased the acreage held by peasants. At the date of its publication the peasants of the kingdom of Poland occupied 220,948 cottages and 5,139,338 acres of land on private estates. After the executive committee appointed to administer the law had done its work they had become proprietors of 424,735 cottages and 7,541,919 acres of land. This increase in the number of small owners was not, however, long maintained. Some of the freeholders created by the law had been farm servants whose holding consisted of a cottage and a potato patch. This plot of ground was found insufficient to sustain them, and many got into difficulties and sold their land. In other cases, to prevent subdivision of the holding the heads of families satisfied the claims of younger brothers by a voluntary money payment. From these and other causes the landless class rapidly increased, until in 1886 its numbers were estimated at 1,500,000 persons of both sexes. This number has probably continued to increase up to the present time, but no precise information upon the subject is available. The rapid growth of industry afforded employment for all peasants who chose to seek it in manufacturing towns.

The landlords were less happily situated, for industrial development, which opened up a means of livelihood to the landless peasants, deprived them of their supply of cheap labour, while the rights of woodcutting and free pasturage enjoyed by the peasants proved onerous in the extreme to the proprietors. The introduction of a high protective tariff in 1877 gave a still greater impetus to manufactures, while the importation of American grain brought down the price of corn some 40 per cent. and diminished the profits of the agriculturists proportionately; in fact, if it had not been for the beetroot and potato crops, the landed interest would have been completely ruined. About 41 per cent. of

the total area of the country is now held by large proprietors, while 51 per cent. belongs to 4,000,000 peasant owners whose holdings are generally over three acres a head. The average extent of peasants' holdings is estimated at about twenty acres, but in the government of Suwalki there are peasants who have as much as 800 to 1,200 acres, and this accumulation of land in their hands is increasing at the expense of the large estates. The great majority of the landowners of Poland live under most difficult conditions: nearly one-half work their estates at a loss, and many have already found themselves obliged to part with their land. The principal purchasers are the peasants, who are able to obtain money on easy terms from the Land Banks.

The condition of the peasantry has undoubtedly improved since 1864, and they are now a fairly prosperous class, "but this is due more to the fact that their wants are small and easily satisfied from the land they have received, and the forest and pasture rights bestowed upon them, than to any improvement in the system of agriculture or development of personal activity and industrious habits. The principal want of a Polish peasant is fuel. So long as he has enough wood to keep his stove going in winter he is satisfied. His holding, however small, provides food enough for his family and cattle, and a sheepskin fur in winter, with a cheap suit or two of fustian in summer, is all that he requires in the shape of clothing. . . . A high authority on questions relating to agriculture has told me that where the forests have been cut and the peasant finds it difficult to procure wood for his stove he is stimulated into unusual activity for the purpose of making enough money to purchase that necessary article, and that this has the effect of wakening him up generally and making him appreciate the usefulness of money. . . . This is very much the case in some of the governments near the Prussian frontier, such as Kalisz, Warsaw, and Suwalki, where the cultivation of the agricultural

holdings has greatly improved, and the comparatively wealthy peasant is by no means an exception. In most of the other governments the improvement, if any, has been insignificant. The average yield of a peasant's holding under corn is not, I am assured, much more than half of what it is on the farms of the landed proprietors, principally owing to the fact that while the latter manure one-sixth, the former cannot do more than one-tenth." The total agricultural produce of the country, including cattle, is estimated at £80,000,000, or £3 per head. This, however, is not nearly sufficient to feed the population, and grain to the value of £1,500,000 sterling is imported annually. In 1900 Agricultural Societies were established to enable small cultivators to procure agricultural machinery on credit, but at cash prices; these societies have also purchased artificial manures and the best seed, and retailed them at only 5 per cent. over the wholesale price. Large proprietors, finding that the low price of corn left them no profit on grain crops, have turned their attention increasingly to beetroot, potatoes for distilling purposes, hops and fruit growing, but their position is far from satisfactory, as labour is both scarce and dear, and the question of "servitudes" (peasants' right to firewood and pasturage) still causes much friction between them and the peasants.[1]

Poland, which now produces one-seventh of the whole industrial output of the Russian Empire, dates the commencement of its industrial activity from the beginning of the nineteenth century, when the government of the independent Grand Duchy, finding that there was no hope of raising revenue from the land, took to fostering industry by all the means in its power. German artisans were invited to settle in Poland, their taxes were remitted for a certain period, and they were excused from military service, and a welcome was extended to foreign capitalists, to Cockerell from

[1] "Foreign Office Reports," Miscellaneous Series, No. 355; Annual Series, Nos. 2425, 2578.

Belgium, to Girard from France, and others. When Russia annexed the Grand Duchy the same fostering care was continued. In 1828 the Bank of Poland was founded, with functions including the issue of notes, the receipt of deposits, the granting of mortgages, and the direct management of industrial enterprises. The revolution of 1830 gave a check to the growing prosperity of the country, and the raising of the Russian tariff on the import of Polish goods caused the export to Russia of cloth alone to fall from £300,000 to £85,000. The newly founded Bank of Poland then came forward and saved the country from ruin. It built factories and railways, arranged for the import of cheap salt from England and the export thither of Polish zinc, and undertook various measures for promoting the prosperity of the kingdom. Up to 1850 manufactures were carried on entirely on the old system; even in the textile trades steam power was unknown, and all the work was done by skilled journeymen and their apprentices, without the aid of female labour.

The years 1850-70 marked the transition from the old to the modern factory system. The causes of the industrial revolution were mainly four: tariff union with Russia in 1850, the introduction of railways, the law of 1864 which freed the peasants from their connection with the land and placed a large supply of labour on the market, and lastly a cause which is still active and of the greatest importance in its bearings on trade, the tariff policy of Russia. The influence exercised by protection on Polish manufactures may be seen from the increasing number of factories which have been established since the system was adopted. Dr. Rosa Luxemburg shows that of the total number of factories existing in 1886, 18·5 per cent. were established before 1850, 37·2 per cent between 1850 and 1877 (the first year of the tariff), and 44·7 per cent., or nearly half, between 1877 and 1886. Polish manufacturers have for some years past shown a marked dislike of the German traders in their midst,

to whom the development of their industries is so largely due. The Poles, themselves, have no natural inclination for commercial pursuits, and though the lower classes make good factory hands, it is impossible to get educated men to take the place in industrial undertakings occupied by the middle class in other countries, and hence it comes that the majority of such posts are filled by Germans.

The encouragement given by the Government to foreign manufacturers in the early days of industrialism in Poland was withdrawn in 1887, when foreigners were forbidden by an Imperial Ukase to acquire real property in the kingdom of Poland, in the Baltic Provinces, and in certain of the western governments of Russia. The first result of this Ukase was that nearly all the foreigners affected by it applied for Russian naturalisation, so that those already resident in Poland were not compelled to withdraw, but any further influx was effectually checked. This Ukase was no mere arbitrary act of power on the part of the Tsar, but was fully supported by the feeling of the people, who would indeed have welcomed a stronger measure. In 1887 also an old law was reinforced, by which Jews were forbidden to engage in trade without the permission of three ministers, and the payment of the First Guild tax; and as since 1887 this permission has been generally refused, Jews are virtually excluded from the trade of Poland, which up to that date was very largely controlled by them. Statistics show, however, that they manage in one way or another to evade the law, for in 1900 the population of Warsaw was 686,010, of whom 249,928 were Jews.

The manufacturing districts of Poland fall into three groups, each with its own distinct character and history, namely, Lodz and its neighbourhood, including the towns of Pabianiz, Zgierz, Tomaszow and some districts of the government of Kalisz, where the textile trades have their centre; Sosnowice, where miles of pine forests have during the last fifteen years given place to

cotton and woollen mills; and Warsaw, the seat of engineering works and sugar refineries. The coalfields of the Dombrowa Basin supply the manufacturing centres with cheap fuel. The advantage which the proximity of coal mines, and its geographical position in the centre of Europe, was supposed to give to Poland over Moscow, led in 1887 to the imposition of a differential duty on raw cotton.[1] It has, however, been conclusively shown that the advantages of cheapness are all on the side of Moscow, and that Poland is only able to compete with it at all in virtue of the superior intelligence and skill of its manufacturers and operatives. The rivalry between Moscow and Lodz, which reached its climax in the 'eighties, is now less acute, and it is generally recognised that the necessities of the manufacturing interest must draw Poland, which works up raw material, and Russia, which supplies it, closer together year by year. The difference in the character of Polish manufactures, as contrasted with those of the Muscovite centre, was observed by M. Verstraete in his report on the Exhibition at Nijni-Novgorod in 1896. After describing the fabrics of simple design and bright colour produced at Moscow, he passes on to notice the greater variety of ideas, the technical superiority, and the novelty which characterised the exhibits from Lodz. The Poles, he says, seem to possess a great faculty of adaptation and some degree of creative power, for even when they copy foreign models the result is something original and not a mere imitation. The superiority of Poland is more marked in its woollens than in its cotton fabrics, though judged by foreign standards Russian woollens are generally badly dyed and wanting in finish. The linen trade, started in 1833 by a French *emigré*, Philippe de Girard, whose name is perpetuated in that of the Polish town of Girardof, near Warsaw, has now attained to considerable dimensions. Only the coarser qualities, however,

[1] Repealed in 1894.

are manufactured, as fine kinds cannot be made from Russian-grown flax. For some years the trade has been suffering from depression, and prices are very low. The following table shows the kinds of textiles produced in Poland in 1900, with the number of factories and the value of their output:—

Nature of Industry.	No. of Works.	Value of Production.	No. of Workers.
		£	
Jute	6	420,800	2,619
Linen	14	929,000	9,840
Oilcloth	4	32,700	183
Cotton	113	9,313,900	43,644
Silk	36	418,000	2,020
Wool	631	11,850,020	43,880
Bleaching, printing, and dyeing	98	1,219,270	5,903
Lace	15	243,300	2,194
Stocking and tricot	30	326,900	1,822
Various	81	327,100	3,076
Total	1,028	£25,080,990	115,181

The Dombrowa Basin of Poland (which forms a continuation of that of Silesia) produces a good medium quality of coal, but this not being adapted to the production of gas or coke is not equally suitable for iron smelting. The output in recent years has been about 4,000,000 tons per annum, or about half that of the Donetz Basin; in 1902 the output was 4,232,287 tons. The chief difficulty in the way of increasing the output is that the Dombrowa Basin has been worked for the last 110 years and there is no single spot in the whole area, covering 480 square miles, which has not been bored for coal. It is estimated that it contained 500,000,000 tons of coal, of which about 70,000,000 have now been won, but as many of the shafts are now very deep, the expense of working is enormous. Other hindrances are the want of labour,

the high railway freights, and, until quite recently, the want of railway communication. Only five out of the fifteen groups of mines worked in the Dombrowa Basin had in 1900 connecting lines, the remainder being obliged to cart the coal to the nearest line of railway. Several concessions for new lines in the mining districts were granted in 1900, *e.g.*, the Dombrowa-Sosnowice electric tramway, thirty-five miles in length, and the Czenstochowa-Herby line, eighteen miles in length, which was to be completed by 1902. Poland produces about 443,000 tons of iron ore, and holds the third place in the empire in respect of iron smelting. In 1900 the number of iron and steel foundries at work was 146, with a production valued at £2,825,700. The depression which has recently overtaken all the metallurgical industries of Russia has affected Poland no less severely than other parts of the empire.

Poland is the only place in European Russia where zinc is found, but the deposits are not fully worked, and the output is only some 6,000 tons per annum, or about 40 per cent. of the amount required. In May 1902 Sosnowice was raised to the rank of a town, having hitherto, in spite of its 60,000 inhabitants, been classed as a hamlet, and having suffered from the disabilities which such a rank entailed. Czenstochowa is rapidly increasing in importance as an industrial centre, and hopes in time to rival Lodz. Its industries include metal works, textile factories, and a large manufactory of toys. This industry, which is entirely in Jewish hands, was started some sixty years ago by Jews who made sacred medallions for sale to pilgrims to the celebrated shrine at Czenstochowa, which is visited by some 500,000 pilgrims annually. When, some years later, the Jews were forbidden to make Christian objects of devotion, they turned their attention entirely to the manufacture of toys, several workmen being sent to Nuremburg to learn the business there with a view to introducing improved methods. There

are now some fifteen works, giving employment to over 800 hands, a large number of home workers being also engaged in the trade.

The recent appearance of Polish manufactures in non-Russian markets is a circumstance worthy of attention. An official inquiry undertaken in 1886 showed that 141 of the largest factories in Poland disposed of 47 per cent. of their manufactures in Poland and of 52 per cent. in Russia. Ten years later, in 1896, it was estimated that a still larger proportion, or at least two-thirds, of Polish goods found a market in Russia, one of the new districts open to them being the Trans-Caucasus, which had hitherto been supplied almost exclusively by English imports. As early as the 'eighties Polish manufactures had reached Siberia, and the opening of the Siberian Railway gave them increased facilities of transit. During the last decade of the nineteenth century Polish wares appeared in China, Persia, and Asia Minor, and an Eastern trade museum was opened at Warsaw for the special purpose of enabling Polish merchants to suit the tastes and demands of Oriental customers. An agency of the Volunteer Fleet has been established at Warsaw to facilitate the shipping of goods from Poland to China and the extreme East, whilst the Amur Trading and Navigation Company have also appointed an agent at Warsaw for the export of goods to all points in the region of the Amur. Notice has been given by the Minister of Finance that there is a good opening in Eastern Siberia for manufactured goods made to suit Chinese taste, and for iron, china, glass, and enamelled iron goods. Great pains are being taken by local firms to get up their goods according to Chinese taste, and to have labels, etc., printed in various Eastern dialects. Agencies have been established by various local firms at Harbin, in Manchuria, and at other places in Siberia, whilst several parties of Chinese and Manchurian merchants have visited Warsaw and Lodz,

both with a view to buying local manufactures and to selling Chinese goods there.

The most recent extensions of Polish trade are those to the Balkan States and the Persian Gulf. In 1900 the railway freights for cotton goods between Warsaw and Odessa, if these goods are destined for the Balkan Peninsula or Mediterranean ports, were reduced to less than half the former rate. The steamboat service from the Black Sea to the Persian Gulf, which is expected to do much to open up trade in South Persia, is dealt with in Chapter VII. Industry has evidently taken firm root in Polish soil, and it is the industries of Poland that form its strongest tie with Russia. Exchange of commodities and division of labour knit Russia and Poland together by a thousand ties, and the economic interests of the two countries have become so closely interwoven that a complete economic fusion does not seem far distant.[1]

The industrial development of Poland has given rise to hopes which are plainly reflected in various forms in the different sections of Polish society. The Russian bureaucracy sees in it an instrument of dominion and builds thereon schemes of permanent despotism. The Polish middle class regard it as the foundation of their own social predominance and as an inexhaustible source of wealth, while the patriots view it with dismay as a great national calamity which must destroy for ever all hopes of the restoration of Polish independence. Evidently these expectations cannot all be fulfilled, but whichever is destined to survive, it is plainly not the ideal of the Russian bureaucracy. The analogy of industrial development in all other countries would lead to the conclusion that industrialism in the long run is all on the side of democracy, and that modern manufactures cannot flourish permanently under a des-

[1] Rosa Luxemburg, "Die industrielle Entwicklung Polens." M. Verstraete, "La Russie industrielle," pp. 156, 168, 170-76, 191 "Russia: its Industries and Trade," p. 302. "Foreign Office Reports," Annual Series, Nos. 321, 2226, 2578; Miscellaneous Series, No. 355. *Board of Trade Journal*, October 2nd, 1902; December 18th, 1902; May 28th, 1903.

potic government. The time must come when the enlightenment, the energy, and the wealth which industry brings with it will become too strong for external control, and this consummation may be hastened in a country where economic tendencies are reinforced by national aspirations. For, in spite of the manifest advantages which union with Russia has brought, Poland is still far from being contented. The industrial classes are already penetrated with liberal ideas, which in Russia are called revolutionary, and May-day demonstrations are held and the rights of labour vindicated in the press. The prevention of the spread of these ideas to the peasantry has of late years formed an important aim of the Imperial Government in its dealings with Poland.

In August 1898 *The Times* printed a resumé of a secret report on Poland, a copy of which had fallen into the hands of a Polish revolutionary and had been smuggled by him out of the country. This document contained the recommendations of the late Prince Imeretinsky, who was appointed Governor-General of Poland in 1896. In January 1898 he brought to St. Petersburg his report on the condition of the province, which was read and annotated by the Tsar and discussed by a Committee of Ministers. In June a Commission was appointed by the Government to sit at Warsaw to devise measures for giving effect to the reforms therein recommended. The economic wants of the peasantry might, it was suggested, be met by the advance of money on easier terms by the Land Banks, by preventing the subdivision of holdings already quite small enough, and by the promotion of systematised emigration to Siberia and the Caucasus. With regard to the working classes Prince Imeretinsky proposed that the inspection of mines and factories should be placed under one and the same authority, that factory legislation should be extended, and that the officials employed in Poland should be more competent and intelligent than they had previously been.

The revolutionists demanded education as a means of realising independence, and thousands of inflammatory pamphlets were circulated and read because the people had nothing else to read. To meet this difficulty Prince Imeretinsky proposed the formation of libraries in every one of the 1,288 communes of Russian Poland. He also urged that the Roman Catholic clergy should be allowed to teach religion in the village schools and that the Polish language should be taught. This recommendation presented great difficulties, because the priests not only owe allegiance to an external power, but their religious interests are all intimately associated with the national aspirations of the Polish people. The clergy are recruited wholly from the half-educated class—the one which "remembers best the past glory of independent Poland, dreams of its resurrection, and entertains the strongest hostility against the Russian Government and Russian ideas of civilisation." The need for more high schools and technical schools was also urged, to prevent Polish youths from going abroad, there to acquire exaggerated views of the freedom enjoyed in other countries, which on their return home will mark them out as the leaders of revolution. To neutralise these concessions, which are of course a matter of tactics and are very far from being made on principle, Prince Imeretinsky advised that the number of Orthodox churches should be increased and funds apportioned for their maintenance. He is evidently at one with Prince Galitzin in his opinion that "Orthodox Russians are the only trustworthy support of Russian power"; but if their opinion is correct Russian power must lack support almost entirely in Poland, for in 1901 74·32 per cent. of the population were Roman Catholics and only 7·10 per cent. Orthodox, the rest being chiefly Jews.

The magnitude of the concessions proposed by Prince Imeretinsky is in itself an index of the critical state of public feeling. That Russia, generally so unyielding, should be willing to discuss such measures,

shows that the Government is sensible of how little has been done—apart from the development of trade—during the hundred years of Russian dominion towards a real unification of Russia and Poland. The state of feeling now is not less insurrectionary than it was in 1863, and it is probable that a Polish rebellion to-day would meet with support from Poles, not in Poland only, but beyond its borders, and the international complications which would thus ensue might be fraught with consequences very serious to Russia.[1]

3. Finland

The Grand Duchy of Finland, which covers an area of about the same size as the United Kingdom with the addition of Holland and Belgium, belongs geologically to the Scandinavian Peninsula. Its surface consists chiefly of gneiss and granite rocks hollowed out by glacial action into numerous lakes and rivers, water forming 11 per cent. of the entire extent of the country and 19 per cent. of its central portion. In addition to the lakes, large tracts of land in the north are covered with swamps and bogs, while the area under forest is estimated at 64 per cent. Only a tenth is under cultivation, and of this 5 per cent. is grass land. The soil, formed by the deposits of glaciers, is generally poor and gravelly, though in the south there are plains of clay formation, which were formerly submerged by the sea and now form the richest soil in the country. The rigorous climate of a high latitude is tempered to some extent by the influence of the Gulf Stream and by the large expanses of water—the Gulfs of Finland and Bothnia and Lake Ladoga—by which the country is surrounded on three sides. The slope of the land being towards the south-west leaves it exposed mainly to warm winds. Under these circumstances agriculture is possible, though much hampered

[1] *Times*, August 13th, 1898. "Foreign Office Reports," Annual Series, Nos. 2135, p. 4; 2226, p. 17. Cf. Introduction, pp. 11, 12.

by the cold summers; for the hoar frosts of August destroy corn and vegetables in large quantities, and are mainly responsible for the terrible famines by which in the past Finland has been devastated and its population decimated. In recent years the draining of the marshes, where the frost-fogs linger, has done something to lessen the frequency of this calamity. The northern and southern parts of the country present striking differences of climate. In the north the winter lasts eight months, in the south five months, and Southern Finland has an average temperature of 41° Fahr. for the whole year.

The country is inhabited by Finns, Swedes, Lapps, and Russians. The Finns are descended from two tribes of Mongolian origin who migrated to Finland about A.D. 700, the light-haired Tavasts of the west and the darker and more vivacious Karelians of Eastern Finland. Swedes, who form the nobility and upper classes and number about 250,000, have settled in Finland in recent times, but linguistic evidence together with prehistoric remains are held by some experts to indicate that part of the present Scandinavian population is descended from Scandinavians who had made their homes in Finland thousands of years before the Finns arrived. The Laplanders, who also belong to the Ural-Altaic peoples, have always remained a separate race. They are confined to the extreme north and still lead a nomadic life, subsisting on hunting and fishing. Their numbers are decreasing, the total Lapp population being only about 1,000, and most of the reindeer, formerly the exclusive property of the Laplanders, now belong to the Finns. The total population, in 1901 reckoned at 3,000,000, has increased rapidly during the last half-century, which has been in all respects a period of unprecedented prosperity. "The average crops are double what they were a generation ago. . . . Wages are still very low in some parts of the country, but in other parts they have more

than doubled. The number of paupers in receipt of relief has decreased in eight years from 110,000 to 68,000, partly owing to reformed poor-law administration, but largely the result of economic progress. According to the figures of the income-tax in towns, small incomes have increased faster than large ones, and the people live in much greater comfort than formerly. Bread mixed with pine-bark and chopped straw, which was once an ordinary article of food in bad years and was generally eaten in some parts of the country, is now no longer common." But Finland has by no means reached the climax of its development, and still presents resources almost untouched, which might be made the basis of great prosperity, unless the capacity for improvement which the country undoubtedly possesses be checked and hampered by difficulties arising from political sources.[1]

Although since 1809 a Grand Duchy of the Russian Empire, Finland has always possessed internal autonomy and its own laws and constitution. If its governmental machinery does not, perhaps, quite merit the epithet "ideal" bestowed upon it in 1863 by the Dutch jurist. Van der Vlugt, it has in practice worked remarkably well, and has secured to the country a degree of prosperity and enlightenment equal to that enjoyed by the most advanced of Western nations. The Diet consists of four estates—the nobles, the clergy (including teachers of higher schools and the University), the burgesses, and the peasantry. The Senate, which answers to the Ministry in other nations, has two sections, the Economic Department and the Judicial, which is mainly a supreme court. The Economic Department is subdivided into the departments of finance, church, military, public instruction, taxation, agriculture, commerce and communications, corresponding to the various ministries elsewhere, but the Finnish Senate, unlike other constitutional Cabinets,

[1] "Statistisk Årsbok för Finland," 1903, p. 4. N. C. Frederiksen, "Finland," ch. i.

does not depend upon party majorities in the Diet. The weak point of the system is its connection with the Tsar, who must take the initiative in all legislative enactments, and communicates with his Finnish Cabinet through the medium of the Governor-General of Finland and the Secretary of State for Finland in St. Petersburg. If, as at the present time, neither of these officials is a Finlander, the Tsar is not likely to be informed of the true desires of the Finnish people or kept in sympathy with their aspirations. Local government is entirely democratic. Towns of over 2,000 inhabitants may elect municipal councillors, and generally do so. "The large country communes have, on the other hand, nearly always preferred to decide matters in general assembly. The executive authority and the ordinary administration is in the hands of a committee chosen by this general assembly. Such a communal organisation necessarily gives considerable strength to the national life."

The State Church of Finland is Lutheran: it is governed by its own Synod and enjoys a considerable degree of autonomy, for all Church laws must first pass the Synod, and can only be treated by the Diet and the Government afterwards. The bishops, of whom there are three, and one archbishop, are chosen by the Tsar from three candidates elected by secret votes by the clergy of the diocese. The Synod includes forty-five lay representatives of the congregations, which are themselves governed by their own assemblies (*kyrkostämma*). These institutions, added to the old Swedish experience in self-government, have contributed largely to the widely developed communal life of the present day.

Finland, with its poor and widely scattered population, has attained a high standard of education. It has not been thought desirable to make elementary education compulsory, nor is it necessary, for the Lutheran Church requires all persons who wish to be confirmed and married to be able to read and

write, and hence, except among delicate and abnormal children, there are hardly any illiterates. Elementary schools are both permanent and migratory, and the education given is satisfactory, though all the teachers are not specially educated for the purpose, and the subsidy granted by the State is very small. In 1897 all communes were obliged by law to establish within a period of ten years a number of higher elementary schools sufficient to give instruction to all children between the ages of nine and sixteen years, and at present more than a seventh of the total number of children are taught in these schools. Secondary schools have been founded by the State, the communes, and by private individuals, and a large proportion are open both to boys and girls. The latest statistics (published 1903) show that Finland in the year 1900-1 possessed 1,873 elementary schools, of which 295 were Swedish, 1,561 Finnish, and 17 Swede-Finnish, 48 lyceums, and 42 private preparatory schools. Technical education is highly developed. To the 46 technical schools proper, including the great central school at Helsingfors, must be added the agricultural and commercial schools and the polytechnic institute at Helsingfors with 394 students. The University of Helsingfors had in 1902 2,401 matriculated students, of whom 1,211 were in residence, with no less than 53 professors and 82 assistant professors and lecturers. The budget of the University amounted to £60,000. The Finnish and Swedish languages are regarded as on an equality, and every official must be able to speak both. It is therefore especially burdensome, as well as arbitrary, to make the Russian language compulsory in the Civil Service, as has been recently ordered. Such an order may be a convenience to the Russians to whom the Finnish service is now thrown open, but it cannot fail to stimulate the growing discontent of the native population. The number of Russian-speaking inhabitants in the Grand Duchy for the year 1900 is given

in the Statistical Year-book as 5,939, or 0·22 per cent. of the total inhabitants, a proportion which is certainly not large enough to justify the new ordinance on any plea of necessity.[1]

As already pointed out, the area of arable land in Finland is very small and the quantity of grain produced is insufficient for the wants of the population. The deficiency is supplied by Russia, which exports grain to Finland of an annual value of £1,500,000 sterling. Barley, however, wherever cultivated, grows well. Barley bread has for centuries formed the chief food of the people, and still does so in the wilds of the north and east. Rye and oats are both grown, and the quantity of the latter is being increased to meet the requirements of the recently developed dairy farming. Wheat is now grown to a small extent in the south and has proved a success. In 1898 Finland produced 2·63 hectolitres (about 6½ bushels) of oats and 1·77 hectolitres (about 3¾ bushels) of rye per head of the population. In 1901 the harvest was good and the import of grain from Russia showed a considerable diminution, which will probably be maintained, for large tracts of land are annually being brought into cultivation by clearing the forests and draining the marshes and smaller lakes. The number of cattle kept is rapidly increasing, and dairying seems likely to become the most important branch of Finnish agriculture. Since 1884 Finland has followed the example of Denmark and introduced large co-operative creameries, which collect the milk of the peasants, and make it possible, by a scientific method of treatment, to realise comparatively high prices. The export of butter in 1897 reached a maximum quantity of 14,561 tons. Since that date it has slightly decreased, because the generally increased prosperity of the people has enabled them to consume more butter as well as other luxuries. The Finnish Government has hitherto ably seconded

[1] N. C. Frederiksen, "Finland," ch. xi. "Statistisk Årsbok för Finland," 1903, pp. 29, 284-99.

the efforts of individuals. In 1892 a Board of Agriculture was established, and higher agricultural instruction has recently been introduced at the University of Helsingfors. Now, however, there is a fear that this policy may be reversed, as "the Russian Governor-General is not in favour of the peasants obtaining, as they wish, a general education together with technical knowledge."

Agricultural products can, however, never contribute very largely to the export trade of Finland; but one great source of wealth it has, which is still almost untouched, while the resources of its rivals in this respect are becoming exhausted. The forests of Finland are immense. In 1899 it was calculated that they contained 22,396,289 large trees and 30,712,501 smaller ones, and close to the trees lies the power which will convert them into wealth. The rapids of Finland number some 700, and a large proportion are suitable for developing hydraulic power for industrial purposes, or for the production of electrical energy. The forests and waterfalls together constitute a unique equipment for the manufacture of wood-pulp and cellulose, commodities for which the modern world, with its great consumption of paper, offers an unlimited demand. "Already this industry has attained large proportions. In 1865 there were two pulp mills; in 1872 six more; to-day there are over thirty." The following table shows the value of the export trade in pulp and paper:—

	Value in 1,000 marks = £40.	
	1900.	1901.
Pulp articles	500	1,118
Pulp and paper articles	225	238
Pulp	1,107	1,196
Paper	647	1,386

In 1901 the total value of the exports was over 13,000,000 marks (£520,000), over 7,000,000 marks

(£250,000), or more than one-half, being made up of timber (exclusive of ships and boats), wood-pulp, and paper. "During the last few years the owners of the Finnish forests have seen their property more than double in value. The timber merchants and owners of saw-mills have probably experienced an even larger increase, and the workmen have had their large share of benefit. . . . Notwithstanding this consumption, the annual increase of the forests, including the Crown lands, is larger than the yearly felling, but both the increase of growth and output of timber might be greatly increased. The use of seed and planting is only beginning to be understood, and the great capacity of the country for the production of timber is only just beginning to be utilised as it ought. . . . We have been astonished to find the seeds of such great wealth in a country which has for so long been notorious for its poverty."[1]

The industries of Finland cannot of course be compared with those of countries more favoured by nature, yet dependent as it is on importation for its coal and most of its iron, it has reached a very fair degree of industrial development. As regards minerals it has one speciality, its beautiful granite, grey, brown, and red, which has been employed in many of the public buildings of St. Petersburg. Gold was first discovered in Lapland in 1867, but the output was insignificant until the year 1900, when fresh discoveries were made by a man returned from Klondyke. Some hundreds of men are at present working in Lapland, but the severe climate proves a serious obstacle to work. For instance, in the beginning of July 1902 the lakes were still frozen over. The extraction of iron is one of the oldest industries of Finland, but in the opinion of N. C. Frederiksen "this historical and still interesting industry has no future before it." Finnish iron ore is not of the best quality, and the

[1] N. C. Frederiksen, "Finland," pp. 109-10. H. Norman, "All the Russias," p. 76. "Foreign Office Reports," Annual Series, No. 2897.

coal to work it must all be imported. Coal is imported from Sweden and the United Kingdom; the import from the latter increased from £53,000 in 1895 to £250,000 in 1901. Reference has already been made to the wood-pulp and paper industries; other wood products are tar, bark for tanning purposes, matches, and bobbins for the spinning mills of England.

Textile industries rank next in importance. The cotton trade has its centre at Tammerfors, situated on the rapids at the outlet of Lake Nesi, where the trade was introduced by a Scotsman named Finlayson, who first saw to what advantage the power furnished by the rapids could be turned. He himself was not successful, but the Russian (Baltic Provinces) firm to which he sold his mill has carried it on with ever-increasing success. In 1901 the mill employed 4,000 workpeople, and its annual output is £500,000, most of the produce going to Russia. The enterprise has been favoured by a special decree of Alexander II., who granted to the town of Tammerfors the right, until January 1st, 1906, to import all machinery and raw material duty free, the result being that the town is provided with the newest and best spinning and weaving machinery that the United Kingdom can produce. Tammerfors possesses two other large cotton mills worked by steam power, and linen yarn and cloth are also made there on a large scale. The Tammerfors Linen Factory, worked by water power, employs 600 hands and has a yearly output of about £128,000. Wool is manufactured at Helsingfors, Tammerfors, and Abo; woollen yarn is largely a factory industry, but the peasants purchase the machine-made yarn to weave at home. The total production of woollens is now estimated at nearly 10,000,000 marks (£400,000). Woollen piece goods are imported from Russia and Germany. The abundant water power of Finland has been recently turned to advantage in the manufacture of electric light and acetylene gas. The acetylene light works are at Hamekoski and at

Linnakoski near Imatra, from which place it is intended to conduct the power to St. Petersburg..

The textile industries afford a fair specimen of the wages earned by factory hands generally. The average wage in the cotton trade for both spinners and weavers is 637 marks (£25 9*s.*) a year, against 423 marks (£17) for spinners and 467 marks (£18 13*s.*) for weavers in Russia; woollen weavers earn 521 marks (£20 16*s.*) in Finland, against 466 marks (£18 12*s.*) in Russia. Two-thirds of the employees in textile factories are women, and girls are also largely employed, especially in weaving. In 1899 the number of persons engaged in industry was estimated at about 100,000, or some 4 per cent. of the total population, and factory labour is on the increase, while artisan labour is decreasing. The output of factory-made goods in 1899 was estimated at 300,000,000 marks (£12,000,000) at the least, while that of artisan labour in 1897 was only 31,000,000 marks (£1,240,000). In spite of his higher wages the Finnish workman is cheaper than the Russian, though not so cheap, *i.e.*, productive, as an English factory operative. His manual dexterity is not great, nor is he quick in his movements; the swift and nimble fingers of the English operative are, however, largely the product of hereditary skill and long practice, so that as the manufactures of Finland develop improvement in this respect may be looked for. Finns will in time replace the English foremen now employed in Finnish factories, an occupation for which their natural bent for science, especially in its practical application, should render them very suitable.

Finland is of necessity a large importer of foreign goods. The raw material of nearly all industries and most of the necessaries of civilised life are not to be obtained except from abroad, and as Finland has advanced in culture and prosperity, its imports have increased. Its export trade, which in 1898 was estimated at £7,200,000, or nearly £3 per head of the total population, though surprisingly large (the export

per head from Great Britain in 1901 was £6 14*s.*), is still considerably outdistanced by the import trade, which in the same year represented a value of 237,000,000 marks (£9,420,000), and in 1901, owing to special reasons, of 215,000,000 marks (£8,600,000). But the balance of trade is not really so unfavourable as appears at first sight: the value of the imports, which are subject to duty, is more accurately reckoned than that of the exports, and the cost of transport is included. It was calculated that of the 57,000,000 marks excess of imports in 1898, 16,250,000 could be thus accounted for. The investment of foreign capital in Finland and the services of the Finnish commercial marine reduce the excess still further. Russia heads the list of countries which send imports to Finland, the bulk being grain and flour; the chief Finnish exports to Russia are wood-pulp, paper, and butter. England comes first among countries receiving exports from Finland, the total in 1899 being valued at £2,500,000, including £480,000 worth of butter and £1,400,000 worth of wood in various forms. The total import from England in the same year was of the value of about £1,640,000. In the commerce between Finland and Germany the imports are the greater, representing £3,290,000 against £660,000 of export. The German exports are rye, wool, clothes, sugar, and hardware, particularly electrical machinery. Timber, the staple Finnish export, goes also to France, Spain, Denmark, Holland, and Belgium, which send in return cognac, wine, raisins, railway waggons, and rope. Cotton to the value of £20,000 is imported from the United States.

The Finnish tariff, though low, is still a hindrance to the free development of its commerce, and is unimportant from a fiscal point of view, as only those duties which are not in their nature protective, such as the coffee, tea, and sugar duties, are productive of revenue to any extent. It seems likely, however, that the next step in tariff reform

will be in the direction of higher not lower duties, for the Russian Government decided in 1893 to assimilate the Finnish tariff to that of Russia. The fulfilment of its intention has been long delayed, partly because Germany protested, and partly also because the present arrangement is not without advantage to Russia. In consequence of representations from Germany, Russia undertook not to alter the Finnish tariff till December 31st, 1898, when the difference might be reduced by 50 per cent. and the two tariffs made identical after December 31st, 1903. The present rule as regards Russia is that all Russian merchandise can enter Finland free of duty, with the exception of brandy, which is forbidden, and sugar, tobacco, wine, liqueurs, and margarine, which pay lower duties when they enter Finland by way of Russia than when they come from other countries. Finland, on the other hand, may only export to Russia certain products of agriculture and other industries of an agricultural nature. Some manufactured articles—and they are those in which Finland has a natural advantage—pay duty, although a lower one than is imposed by the Russian tariff on the same goods imported from other countries; but as the quantity which may be imported in any year is very limited, the result is much the same as that of a higher tariff. It is apparently to this arrangement that Mr. Henry Norman refers when he says that "all Finnish produce enters the great Russian market under a differential duty, that is, practically, a bounty." The inclusion of Finland under a tariff union with Russia would, it is true, abolish the present rather anomalous position which makes her a foreign country in respect of tariffs, but whatever the theoretical anomalies of the situation may be, Finland prefers to retain them rather than see her growing manufactures blighted by prohibitive duties. The introduction of the Russian tariff would mean the arrest of manufacturing development and the

entire destruction of Finnish commerce and navigation. It would increase the price of all imports, and by destroying the import trade, it would also hinder export. "It would not," says Professor Frederiksen, "as is the case with tariff unions between many other countries, be an advance. It would be an enormous set-back to the whole civilisation. It is to be hoped that the Finnish nation will not be obliged to witness the fulfilment of this menace." [1]

The policy of unification by which the frontiers of the empire are being moulded to the same pattern as its centre was first applied to Finland in 1898, and has since been carried on with vigour and determination. Up to that time, in spite of some signs of the coming change, Finland had enjoyed a degree of political freedom unknown in any other portion of the Russian Empire. When the Grand Duchy was ceded to Russia by Sweden in 1809, the Tsar, Alexander I., signed a declaration wherein he confirmed and ratified the religion and fundamental laws of the land "according to the Constitution." These constitutional rights, which the Finns inherited from the days of their union with Sweden, have been assured to them on oath by each successive Tsar on his accession to the throne, and by Nicholas II. among the number. Of late years many attempts have been made by Russian publicists to explain away the constitutional rights of Finland, to argue that the Diet was a body created by Russia, and that what a Tsar had given a Tsar could take away. But in the face of the plain declarations made by Alexander I. in 1809 and 1810, and by Alexander II. in 1863, of the "Law on the Diet" in 1869, by which the summoning of the Diet was made periodical, and the extension of the right of initiative of the Diet by Alexander III. in 1886, these arguments were bound to appear something more than sophistical. It

[1] N. C. Frederiksen, "Finland," chs. vi., vii. H. Norman, "All the Russias," chs. iv., v. "Foreign Office Reports," Annual Series, No. 2897. "Statistisk Årsbok för Finland," 1903, p. 165.

remained an indisputable fact that Finland possessed a Parliament of her own comprising four estates, and that all political action in Finland must receive the sanction of the Senate—must in short proceed according to law and not merely according to the pleasure of an autocratic sovereign. The military system of Finland formed another striking exception to that of the Russian Empire. As late as 1878 Finland had no regular military system; in that year compulsory military service was desired by Russia and conceded by the Diet. The period of active service was three years, but only one-fifth of the conscripts served in the regular army, and the remainder in the reserve. No one but Finlanders could serve in the army, and the oath was "to defend the throne and fatherland," so that the Finnish army was practically a national militia. The conditions of military service and the economic administration of the army were dependent on the Diet and were expressly declared to be part of the Constitution.

General Kourapatkine, who in 1898 became Minister of War, signalised his accession to power by an attack upon this national army. In that year General Bobrikoff, who had proved a most useful agent in the Russification of the Baltic Provinces, was appointed Governor-General of Finland, with instructions to bring about the closest union between the Grand Duchy and Russia. According to the Constitution (par. 71) the laws of Finland can be altered only on the proposition of the Emperor and Grand Duke, and with the consent of all the estates. The Military Reform Law of 1899 was, however, laid before the Diet at Helsingfors on January 24th, not for their sanction, but merely that they might consider the best means of adapting the measure to local conditions. The authority of the Diet was thus completely set aside; the excuse given, that the measure in question was one of Imperial not of local interest, being sufficiently specious in view of the fact that the cost of the proposed change was to be

met by the taxation of the Finnish people, while Russia was to acquire, without cost to herself, the use of Finnish troops in any part of the empire. The chief provisions of the new law were: the extension of the period of service from three to five years; the assumption of power to send Finlanders to serve in Russian regiments, under Russian officers, and in any part of the empire; a nearly fourfold increase in the number of conscripts; the payment to Russia of an annual war subsidy of some £700,000. The law was signed by the Tsar on July 12th, 1899, and was to come into force in 1903. The Imperial Manifesto of February 15th, 1899, struck even more deeply at the root of Finnish liberties. In this Manifesto the Tsar says: "Whilst maintaining in full force the now prevailing statutes which concern the promulgation of local laws touching exclusively the internal affairs of Finland, we have found it necessary to reserve to ourselves the ultimate decision as to which laws come within the scope of the general legislation of the empire." The preservation of constitutional rights against a declaration like this became of course an impossibility. The Diet was reduced to the position of a merely consultative body, and the word of the Tsar became the practical law of the land.

The Senate seems from the beginning to have recognised the hopelessness of its position. At first it was reluctant to promulgate the Manifesto until a protest had been entered against the change, but finally it was decided that the promulgation should be made and a deputation sent afterwards to the Tsar consisting of spokesmen from the four estates. The deputation arrived at St. Petersburg, but as the Tsar refused to give it audience, another and larger deputation, bearing a petition signed by over half a million Finlanders, next approached the then Secretary of State for Finland (M. de Plehve). Again the Finlanders were denied a hearing, and the deputies ordered to leave St. Petersburg. Even in Russia itself the military reform scheme

was not viewed with unanimous approval. In February 1901 the Council of State rejected it by a large majority, being led to this conclusion chiefly by the influence of M. de Witte, who attacked it on financial grounds. The functions of the Council of State are, however, purely advisory, and in this case, as often before, its advice was not accepted. In September 1901 a majority of the Finnish Senate decided to promulgate the Military Service Law, and at the same time to address a humble memorandum to the Tsar, soliciting his assurance as to the maintenance of the political institutions of Finland. To this memorandum the Tsar replied by a letter from the Secretary of State for Finland, to the effect that "His Majesty does not find the present occasion suitable to address, as the Senate desires, to the Finnish people a new assurance as to the maintenance for the future of their local institutions. The disquieting apprehensions, which are now by evil-minded people being disseminated among the population, point to the necessity of securing public order by means of administrative measures." This letter was generally regarded as a severe rebuff, and the gravest misgivings were felt as to the meaning of the words "administrative measures." The apprehensions entertained were speedily justified by the dismissal of the four members of the Senate who voted against the promulgation of the law.

The new measure was not, however, yet regarded as law in the eyes of the people: ancient usage in Finland requires that a law to be valid must not only be promulgated by the Senate and published in *The Official Gazette*, but must also be read aloud from the pulpits of the churches. This custom gave an opportunity for fresh protest. Some hundred clergymen refused to read the new law and thus make themselves parties to a breach of the Constitution. In other parishes, where the clergy began to read, the congregations immediately left the churches. The majority of the communes refused to elect members

to the conscription boards, and the entire medical board of Finland tendered their resignation in order to escape the necessity of appointing medical officers to examine the recruits.

The levy took place in the spring of 1902. The new law leaves it "for the present" to the discretion of the Russian Minister of War to determine the number of conscripts to be demanded in any one year. "The Russian authorities were desirous of smoothing over the transition period, and of being in a position to point out to the Finnish peasantry that, in fact, fewer demands were made on them under the new law than under the old. It was accordingly decided that only so many young men of military age should be called up for active service as would suffice to fill up the vacancies in the Finnish Dragoons and the regiment of Finnish Guards. The number of recruits required was 280, and the number of young men of military age in the Grand Duchy from whom this small number had to be chosen was, in round figures, 25,000. The chances of selection were therefore extremely small in each individual case, and there can be no doubt that the authorities counted on this fact as likely to stimulate the attendance at the levy. They argued that, where the personal risk was so small, the lads would not care to stay away merely for the purpose of making a protest on constitutional grounds." But the event was to show that they had entirely underrated the strength of Finnish independence. The peasant recruits proved not less determined to protect their political liberties than the doctors and members of communes, and no fewer than 15,000, or some 60 per cent. of the whole number, refused to present themselves. A further manifestation of the popular feeling was given on the day of the levy (April 18th), when a crowd assembled in the Senate Square at Helsingfors and hooted the unpopular members of the Senate who had sanctioned the promulgation of the law. A harmless street demonstration furnished General Kaigorodoff

with an excuse for calling out the Cossacks, who attacked the crowd with savage violence, beating even women with their knouts. This disturbance was followed by an Imperial rescript, in which the Tsar stated that his Finnish subjects had been misled as to his intentions concerning the levy, and that, in response to the representations of the Senate, he had agreed to prolong the levy beyond June 24th, the date fixed by law. The rescript concluded with these words: "The failure of the recruits to present themselves at the levy will lead us to conclude that the methods of administration which have prevailed in Finland during the last century are inadequate to safeguard the peaceful development of political institutions and to secure obedience to the law." This statement was in direct contradiction to the facts of the case, as it was plainly the reversal of the methods of administration which had prevailed during the last half-century, and not those methods themselves, which was accountable for the existing discontent. During this same month of April fresh powers "for the maintenance of public order and tranquillity" were conferred on General Bobrikoff, in virtue of which he proceeded to send into exile many of the leading men of Finland.

The summer of 1902 passed uneventfully; but on September 30th six ordinances were published, of which the first reduced the Senate to a position of complete dependence upon the Governor-General, and the second enabled the "reformed Senate" to dismiss without trial any administrative official not appointed directly by the Tsar. The third ordinance authorised the Judicial Department of the Senate, which by the first was made the mere tool of the Governor-General, to dismiss the judges at will; and by the fourth it was enacted that no official could be brought to trial without the consent of his superiors. This law was especially intended to destroy the independence of the police, who had hitherto been responsible to the Law Courts for the legality of their actions, with the result

that policemen were condemned by the Courts for actions which had been praised and rewarded by a Governor.

On January 12th (25th), 1903, the Tsar decreed the punishment which was to fall upon the conscripts who had refused to attend the levy of the previous year. Those who occupied adminstrative posts were to be dismissed; none of the absentees were to be allowed to leave the country for the next five years; in granting public loans to communes regard was to be paid to the extent to which they had been implicated in resistance to the levy. The point of this last proviso becomes clear when it is remembered that during the spring of 1903 Finland suffered severely from famine, and the small relief funds at the disposal of the Governor-General were thus closed against communes which had upheld the liberties of their country. New regulations for the Governor-General, consisting of twenty-nine articles, were issued on April 2nd, 1903. They formed a sort of appendix to the regulations for the Senate of September 30th, 1902, and aimed at a transfer, in a still more marked degree, of the powers, formerly belonging to the Senate, to the Governor-General. By Article 21 all schools were placed under his supervision, and he must endeavour so to direct the instruction "that a spirit of affection towards His Imperial Majesty and Russia may be imparted to the youths." Other "reforms" of this period have been the abolition of Finnish postage stamps, an increased censorship of the press leading to the suppression or suspension of a number of newspapers, and the introduction of the Russian language into the Senate, the army, where candidates for the rank of sergeant are required to pass an examination in Russian, to the railways and into all classical and *real* lyceums, where twenty-nine and forty hours a week respectively must be devoted to instruction in Russian, while the power of dismissal given to General Bobrikoff has also been liberally

exercised.[1] Among the prominent men who have been deprived of their offices may be mentioned Dr. Rein, Vice-Chancellor of the University of Helsingfors, and Count Mannerheim, who was not only dismissed but exiled *sine die.*

In the course of the last five years Finlanders have thus witnessed the complete destruction of their constitutional rights and of all the liberal institutions of which they were so justly proud. The Diet, the Law Courts, the national militia, the press, the schools, and even personal and domestic liberty have been attacked, and all this has been done, not in consequence of any disloyalty on the part of Finland, but simply because the autonomy of the country was an anomaly in that system of unification which now holds so prominent a place in the councils of the Tsar. This policy has not wanted apologists, however, even in England. Finland, it is argued, is not only an exception to the Russian rule of homogeneity throughout the empire, but is a standing menace to all the principles on which Russian autocracy is based. While Finland retains constitutional rights, it is an object-lesson to every aspirant to the political freedom which Russia cannot grant, and an encouragement to Nihilist conspirators. Mr. F. T. Jane, writing in *The Daily Chronicle* for March 6th, 1899, said: "One way or another, indirectly rather than directly, the fingers of all these people have been pointing to 'free Finland,' much as once they pointed to the Balkan States. The Russian speaks and lives in proverbs, and that about sauce for the goose being sauce for the gander has been much hammered into his head in a quiet way of late. Hence Finland becomes a problem." Another apologist, Mr. Henry Norman, hints at a foreign invasion of

[1] The special correspondent of *The Morning Post* in the issue of December 2nd, 1903, stated that the number of persons exiled up to the end of November was forty. The alternative of deportation to Russia had only just been put into practice, the first deported persons being the premier Count of Finland and his son. The newspapers are forbidden to discuss, or even to mention, such events.

Russia by way of Finland, though he does not say from what quarter he expects this invasion to come, and justifies the new army law on this ground. This, however, is only a side issue; his main contention is that Russia has the power to crush Finland, and that in the exercise of this power she is only following the example of all other great nations in dealing with a weaker people. If it can be shown that the privileges of the loyal and law-abiding Finns do actually imperil the existence of the great Russian Empire, this view might be capable of defence, though even then it must be remembered that Russia's greatness is geographical rather than social, and that in the scale of civilisation she stands many steps lower down than Finland, That the 3,000,000 inhabitants of Finland should prove a danger to the 135,000,000 of Russia is a proposition evidently absurd, but if anything can convert Finland into a danger to the empire it will be the policy which is estranging her passionate loyalty and filling a contented people with bitterness and resentment.

The feeling of the people cannot be better expressed than in the words of the petition which three prominent exiles, Count Mannerheim, Mr. Eugen Wolff, ex-British vice-consul at Viborg, and Mr. Magnus Rosendal, endeavoured to present to the Tsar on November 6th, 1903, during his visit to Darmstadt. After enumerating the recent breaches of the Constitution, the petitioners concluded: "Dissatisfaction and unrest are everywhere found in the land. The new *régime* has been further aggravated by the dictatorial power confided to the Governor-General in open violation of the law. Citizens who conscientiously adhere to the laws of the country, and consequently refuse to obey the unconstitutional decrees which have caused the confusion and disorder, are being persecuted as enemies of 'the order of the State and the general tranquillity,' treated as malefactors, arrested, imprisoned, subjected to insulting domiciliary visits, or even exiled

according to the whims of the Governor-General or of his subordinates; all this without any charge having been established against them by legal inquiry. At the same time, it has become evident that crime has increased to a dangerous extent whilst the number of convicted criminals has greatly decreased, although the police forces have been strengthened beyond all reason. But the chief occupation of the police consists in spying on honest and respectable citizens, whilst the maintenance of order and the detection of crime are treated as of secondary importance. . . . The worst elements in the population are brought forward and employed by those who allege that they are executing Your Majesty's wishes, are being rewarded and paid for spying and denunciation, whereby a state of corruption hitherto unknown and unimagined is being spread in ever greater measure amongst the population."

The depopulation of Finland, which will entail a great loss to Russia, is the certain outcome of the present policy of unification. Emigration is proceeding with unprecedented rapidity. During the seven years ending 1898 the average yearly emigration from Finland was 3,378. In 1899, the year of the Manifesto which first disclosed the destiny in store for Finland, the number rose to 12,075; in 1900 it was 10,397; in 1901, 12,561; and in 1902 it had reached 15,000.[1]

4. The Baltic Provinces

The three provinces of Livland, Estland, and Courland, which, from their situation on the shores of the Baltic, are of immense importance to Russia, are amongst her more recent acquisitions. The Lettish

[1] *Times*, March 20th, 30th, 1899; February 28th, September 17th, 1901; June 21st, 24th, September 30th, 1902; February 10th, May 12th, October 2nd, November 11th, 12th, 1903. *Weekly Times*, March 14th, May 2nd, 1902. *Morning Post*, April 30th (article dated), July 31st, 1902. *Daily Chronicle*, March 6th, 1899. "Foreign Office Reports," Annual Series, No. 3,086, published September 1903. "Statistisk Årsbok för Finland," p. 61.

tribes by whom the provinces were peopled were conquered in the Middle Ages by the Knights of the Teutonic Order and incorporated by them in the Holy Roman Empire. The conquests of Ivan the Terrible broke up the Lettish Confederation and dispersed its members: Estland submitted to Sweden, while Livland and Courland sought protection from Poland. During the first half of the sixteenth century the provinces embraced the Reformed religion, secured freedom of conscience local self-government, and equal individual rights, before the law. In Estland these privileges were confirmed as a condition of submission to Sweden; Courland obtained them by the independent efforts of its own government; in Livland the *Privilegium Sigismundi Augusti* in 1561 conferred upon the people freedom of conscience, the Lutheran faith in church and school, self-government and taxation, and German law and justice. When in 1710 Livland and Estland were conquered by Peter the Great, and in 1795 when Courland submitted to Catherine II., these privileges were solemnly confirmed, and for a hundred years the Baltic Provinces flourished securely in the possession of their own religious, judicial, educational, and communal, institutions. In spite, however, of their German language and customs the inhabitants of the provinces never regarded themselves as Germans, but claimed to be as Russian as the Tsar, who, like themselves, traced his descent to German ancestors. No race hatred or the resentment natural to a conquered nation ever embittered the relations of the provinces with Russia; their loyalty was unquestioned, their contentment absolute. Had there been in the Baltic Provinces a trace of that animosity which is always smouldering between Poland and Russia, it is hardly too much to say that Russia would not have ventured upon the course of policy which she initiated in 1885. The Panslavist movement was then at its height, and its ideal of the union of all Slavonic races under the protection of the Russian Empire was marred by the

independent institutions and alien religion of three of its own provinces.

The task therefore to which Russia addressed herself was not that of crushing out a hostile nationality, but of supplanting free institutions by officialism, and freedom of conscience by the cult of the Orthodox Church. It was in race difference, however, that she found her vantage ground. The fusion between the Lettish peasantry and the German nobility and clergy had never been complete, and the rift was gradually widened by the influence of Slavonic emissaries, who in 1882 succeeded in stirring up an insurrection of the people against the nobility. This disturbance gave a pretext for Russian intervention, and between 1885 and 1889 all the privileges of the provinces were withdrawn. The last vestiges of manorial justice and of tribunals under the German-speaking nobility were abolished, the Lutheran clergy were forbidden to teach or exercise control in the schools which they had built, the German language, and even the Lettish dialect, were prohibited, and Russian made compulsory in schools, on railways, and in all official communications. It is needless to say that education did not profit by these changes. Elementary education had been made compulsory in 1819, and the elementary schools were under the guidance of the clergy, who saw to it that the education given was satisfactory. The results they achieved are shown by a comparison between the number of illiterates in these provinces and in the empire generally. In 1885 it was estimated that 73 per cent. of the Russian population were unable to read and write, while in Livland the percentage was under 3 and in Estland 2·3 per cent. In 1886 parish committees were deprived of the control of their schools, which were placed under inspectors responsible to the Minister of Education. Secondary schools, which have been similarly Russianised, have ceased to be regarded as places of higher education, since their one aim is to teach the Russian language. The University of Dorpat

enjoyed a high reputation, and was largely frequented and had produced scholars of eminence, but these considerations did not prevent the same process being applied to it. It was entirely remodelled and made into a Russian institution, with even its name changed for the more Russian-sounding appellation of Yurieff. The result was that its academic status was lowered, the number of students diminished, and it has now no educational importance whatever. Religious proselytising was carried on with zeal; the Lutheran clergy were suspended on the most trifling pretexts, and no successors were appointed; new churches were not allowed to be built; the number of Orthodox churches was at the same time multiplied, and pressure of all kinds was brought to bear upon the people in order to secure "conversions." Uniformity, civil and religious, has thus to a large extent been secured in the Baltic Provinces, but the bureaucratic ideal has only been attained by sacrifices which must in the long run involve the deterioration of the inhabitants.[1]

The present prosperity of the Baltic Provinces is due in no small degree to their excellent system of land tenure. Agrarian reforms were undertaken early in the nineteenth century and were carried through with the sympathy and concurrence of the landlords. Estland led the way in 1802, and Livland followed in 1804 by substituting for forced labour a money payment assessed on the value of the land occupied by the peasants. In 1811 the abolition of serfdom was decreed by the Landtag of Estland, though the reform was not carried out till 1816. Courland and Livland followed in 1817 and 1818. Further agrarian reforms were instituted in 1846 and continued till 1856. The peasantry were protected in their possessions by the distinction drawn by the law between manor and peasant, or homestead (*Bauerhof*) land, the limits

[1] Ernst von der Brüggen, "Das heutige Russland," ch. xii. I. von Dorneth, "Die Russificirung der Ostseeprovinzen." "Das Staatsrecht des russischen Reiches," p. 225. Créhange, "Histoire de Russie," p. 309.

of subdivision were fixed, forced service was everywhere replaced by money payments, and arrangements were made to prevent the sale of land to peasants unless it included a proper proportion of arable and grazing ground. The process was long and expensive, but its result was the absolute security of peasant owners and the increased credit both of large and small proprietors. More than half of the total area of the province is now the hereditary property of peasant owners. According to the survey of 1873-5 the value of the land held by peasants amounted to 500,437 thalers (£72,980), as compared with 426,530 thalers (£62,202), the value of the land in the possession of large proprietors. There are no village or common lands as in Russia proper, so that landless peasants must either work for hire on the land or find employment in towns. The predominance of peasant proprietors has not been prejudicial to the interests of agriculture generally, because the peasants have been able, by means of co-operation, to secure for themselves the advantages usually confined to the owners of large estates. For example, in 1888 a society was formed called "The Baltic Dairy Union" which enables peasant farmers to avail themselves of the services of a skilled instructor, and arranges for the export of their produce. The Imperial Economic Society of Livland, founded in 1855 for the promotion of agriculture, finds a wide sphere of activity in making loans and grants to agricultural and cattle-breeding societies. In 1899 it founded a Lettish School of Agriculture, in which the sons of small proprietors and peasant farmers might receive a thorough education in all branches of agriculture, for an annual fee of 75 roubles.

The soil of the Baltic Provinces is not especially fertile, but the enlightment and energy shown by its cultivators have attained the best results. The three-field system which prevails in Russia was abandoned, as early as the second decade of the nineteenth century, for the many-field system. Clover and other fodder grasses are

cultivated and artificial manures are largely used, The chief crops raised are rye, barley, and oats. Of late years the harvests have not been good; in 1900 the long stretch of tropical weather with hardly a drop of rain shrivelled up everything, and not only was the grain scarce and poor, but in many places the farmers had not sufficient hay and straw to carry them through the winter, and some of them had to take the thatch from the roof to keep their stock alive. This dry year was followed by one of excessive rain, which spoilt the hay and grain crops and injured potatoes. The crops raised are never sufficient for the wants of the population, which is supplied from Central Russia and Siberia. Potatoes and flax are sown in considerable quantities, the former chiefly in Estland, the latter in Livland. Estland exceeds all the other governments of Russia in the area of land devoted to potatoes, which form a staple article of food among the peasantry, but are chiefly cultivated for distilling purposes. Cattle rearing and dairy farming are becoming constantly more important; to every hundred of the population there are twenty horses, thirty-nine head of cattle, and forty-eight sheep. Butter and eggs are largely exported, chiefly to England, and of late years have formed an important item in the trade of the Baltic ports. The provinces are situated within the forest zone, but the trees have been largely cleared, so that now only 26 per cent. of the whole area is forest land.[1]

The industry of the Baltic Provinces is chiefly of a semi-agricultural nature—that is to say, it consists in the manufacture of the natural products of the district and also of imported raw material, such as cotton. The number of persons employed in industry is 75,000 and the annual value of the manufactures is 120,000,000 roubles. The principal manufactures are cotton, spirit distilling, and mechanical industries.

[1] "Bericht über die Verhandlungen der Kaiserlichen Livländischen Gemeinnutzigen und Oekonomischen Sozietät in den Jahren 1898 u. 1899." "Baltische Wochenschrift," November 2nd, 1889. "Russia: its Trade and Industries," pp. 27, 28. "Foreign Office Reports," Annual Series, No. 2911.

The commerce of the district is very extensive, owing to its possession of ports, which are ice-closed for only a short period of the year. The chief Baltic ports, not including St. Petersburg and Cronstadt, are Riga, Reval, Windau, Pernau, Libau, and Narva. None of these ports possess naturally good harbours of a depth suitable for modern steamships, and the work of constructing quays, which is still being carried on, is both lengthy and expensive.

At Reval new exterior erections and stone quays have been built, and in 1896 an ice-breaker was first successfully used, by the assistance of which the time when the port was inaccessible to steamers was reduced to a few days. "That year marks indeed a new era in the history of the trade of Reval, and everything seems to point to a further steady development." Large cotton mills have been constructed in the neighbourhood, a circumstance which has given to Reval an import of its own in addition to its former transit trade. Its advantages as a forwarding centre have suffered some diminution of late years from the fact that, while railway freights to other ports have been reduced, the charges to Reval remain at their old high level. At Riga the new harbour works in connection with the central goods station were reported in 1901 to be "progressing but slowly," while the proposed permanent bridge across the Düna seemed likely to be a matter of contention for many years.

Railway extension is progressing; the Riga-Moscow line is in full working order as far as Stockmanshof; the railway between Riga and the newly opened port of Windau, *via* Tukkum, was opened to traffic in 1901, and the completion of the Tukkum-Kreutzberg branch, which will give direct access to the interior, was expected in 1903. The new harbour works at Windau give this port a depth of water in the harbour and river of from 22 to 45 feet and render it capable of doing a large export trade. As the result of these new railway and harbour works, the trade of the port increased from

£420,000 in 1901 to £1,150,000 in 1902, though this large increase was partly due to the transfer of a portion of the winter forwarding trade of Libau to the new harbour of Windau. Railway and harbour extension in these districts have become matters of the first importance since the increase of traffic on the Siberian Railway has brought grain and dairy produce in such large quantities to Europe.

The chief articles of export are much the same from all the ports, viz., grain, linseed and oilcake, flax, timber, butter, and eggs. The export trade in eggs is entirely of recent growth. In 1894 the total export from Russia amounted to 60,659 tons, of which Riga shipped 8,800 tons. In 1901 the total quantity exported was 130,048 tons, Riga supplying 34,540 tons. In 1902 the export from Riga rose to 49,100 tons. The trade of Riga is very largely in the hands of Jews. The census returns of 1897 showed that the Jewish inhabitants numbered 27,000, and this in spite of the fact that the town is outside the pale, and only those Jews can live there who have acquired the right of residence. Of the 353 first guild merchants in the town, 76, and of the 1,155 second guild merchants, 366, are Jews, while larger proportions are to be found in the lower classes of traders. The trade in agricultural produce is largely in their hands; some of the chief grain exporting firms are Germans, but the middlemen and agents are almost exclusively Jews.

Libau is Russia's most important naval base on the Baltic, and is one of her only two ports which are never ice-bound. It has now a population of some 90,000, chiefly Germans and Jews, with Russians in all official positions. The principal exports are grain, chiefly oats, and timber, shipped by German firms, while the fruit trade is entirely in the hands of Jews. The Government has constructed a huge harbour for naval purposes at a cost of 70,000,000 roubles, and the new dockyards, now approaching completion, were visited in the summer of 1903 by the Tsar in person.

At Kränholm, near Narva, are the great cotton mills of the firm of Knoop, worked largely by water-power which the splendid waterfall of Narva supplies. Professor von Schulze-Gävernitz states that when he visited the mills in the 'nineties they contained 400,000 spindles and over 2,000 looms. Proximity to the coast enables all raw material to be procured at the lowest prices, and hence the firm have been able to introduce the best machinery and to devote attention to the hygienic conditions of their workrooms. All improvements in the cotton trade in Russia, both technical and sanitary, have entered Russia by way of Narva. "The whole place," says Professor von Schulze-Gävernitz, "is a bit of England on Russian ground." The only machines of German manufacture are the turbines.[1]

[1] "Foreign Office Reports," Annual Series, Nos. 2343, 2505, 2535, 2911, 3072. "Russia: its Trade and Industries," pp. 27, 28. Major Evans Gordon, "The Alien Immigrant," pp. 92-7. Schulze-Gävernitz, p. 96. *Times*, August 20th, 1903.

CHAPTER VII

DEPENDENCIES

A. Northern Asia

I. Siberia.—1. Geography and Means of Communication: (*a*) Divisions, Climate ; (*b*) Rivers, Railways, Ports.—2. Inhabitants : (*a*) Aborigines, Mixture of Races ; Proportion of Russians ; Special Characteristics of Siberians ; (*b*) Exile System : its History and Influence on Siberia ; Failure as a Means of Colonisation ; (*c*) Emigration Statistics ; Capacity of Russians for Colonisation ; Reasons for Inadequate Success of the Movement.—3. Agriculture : (*a*) Land Tenure and Systems of Cultivation ; (*b*) Area of Cultivation and Crops ; (*c*) Cattle rearing ; (*d*) Forestry. —4. Industry and Commerce : (*a*) Hunting and Fishing ; (*b*) Mining ; (*c*) Commerce.—5. Possibilities of Siberia : (*a*) Administrative Reforms Needed ; Education and Trade Development ; (*b*) Appointment of Admiral Alexeieff as Viceroy of the Far East.

II. Manchuria.—1. Outline of History since Japanese War : (*a*) Recession to China ; (*b*) Cassini Agreement ; (*c*) Lease of Port Arthur and Talienwan ; (*d*) Imperial Chinese Railway ; (*e*) Revolt of 1900 ; (*f*) Russo-Chinese Agreements, 1900 and 1902 ; (*g*) Refusal to Evacuate ; (*h*) Encroachments in Korea.—2. Boundaries, Geography, Climate : (*a*) Early History ; (*b*) Boundaries and Divisions ; (*c*) Principal Towns ; (*d*) Population ; (*e*) Brigandage.—3. Agriculture and Products.—4. Animal Products and Minerals : Silk, Furs, Fish, Coal, Gold, etc.—5. Industries and Trade : Special Industries ; Volume of Trade.

B. Central Asia

I. Turkestan : (*a*) Historical Sketch ; (*b*) Geography and Administration ; (*c*) Results of Russian Rule ; (*d*) Agriculture ; (*e*) Forestry and Cattle Rearing ; (*f*) Commerce ; (*g*) Railways and Roads.—2. Afghan Frontier Questions.—3. Chinese Frontier Questions.—4. Persian Questions : (*a*) Russian Interests—Resht to Teheran Road, Loans, Customs, Railways, Trade ; (*b*) English Interests—Treaty Guarantees and Integrity ; Trade *via* Trebizond, *via* the Gulf, *via* Sistan ; Telegraphs ; Imperial Bank of Persia ; Strategic Importance ; Koweit and the Baghdad Railway ; Prestige.—5. The Caucasus and Armenia : (*a*) History ; (*b*) Climate, Ethnology, and Mineral Wealth ; (*c*) Internal Order ; (*d*) Land Legislation ; (*e*) Commerce : Minerals and Mineral Oils ; (*f*) Religious Sects—the Dukhobors ; (*g*) The Armenian Question.—6. Russia as a Colonising Power.

A. Northern Asia

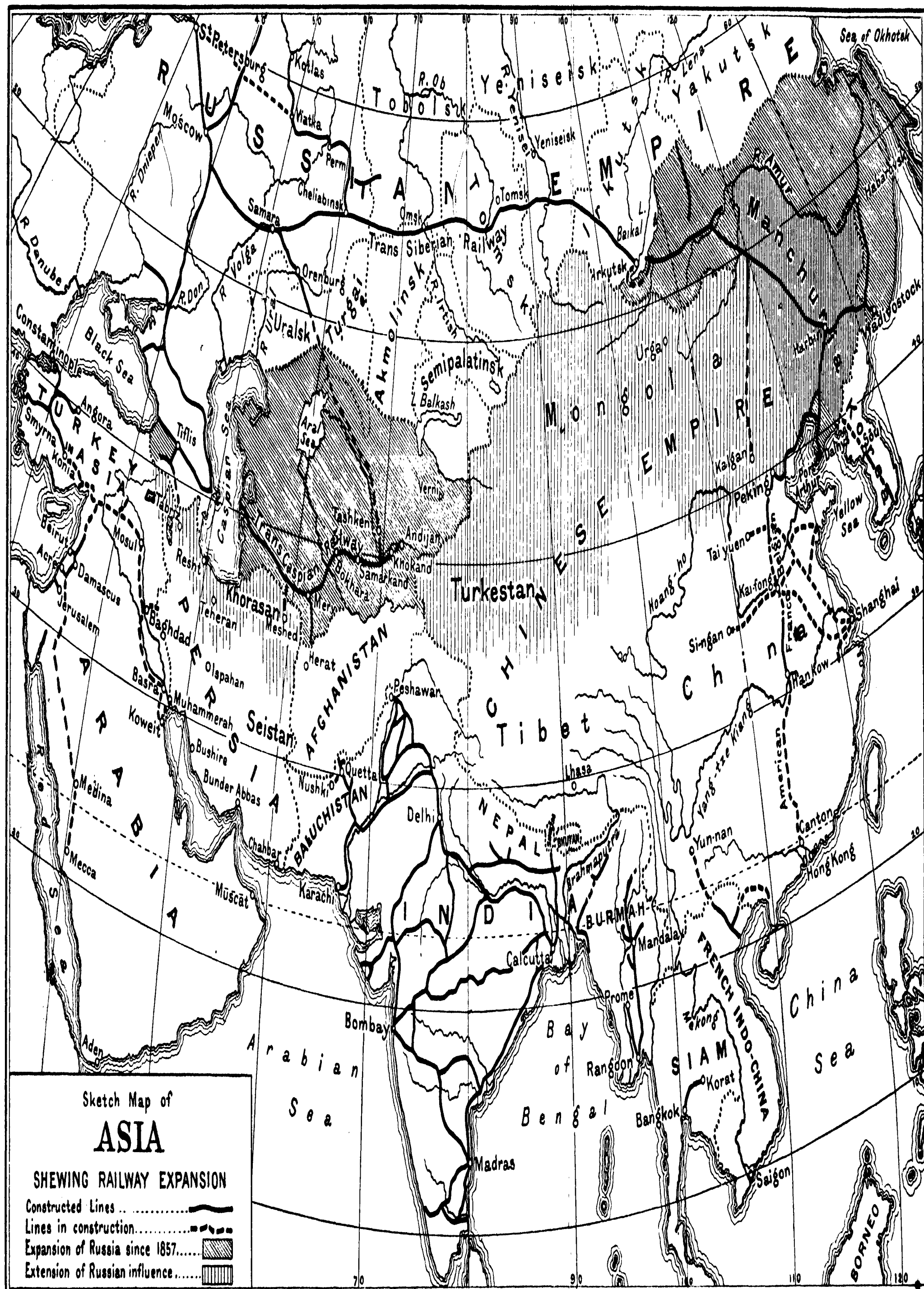
I. SIBERIA

1. Geography and Means of Communication

The immense region known as Siberia, which covers an area of 5,589,289 square miles and stretches from far within the Arctic Circle to the latitude of Vienna (45° N.), comprehends great diversities of soil, surface, and climate. It is divided naturally into three zones stretching east and west: in the south the conditions of climate and soil are favourable to the development of agriculture; the middle or *taiga* region is covered with a belt of tall forest trees interspersed with marshes; the north or *tundra* region has a constantly frozen subsoil, scanty vegetation, and is entirely unfit for agriculture. The political divisions, unlike the natural ones, run north and south, and are:

1. Western Siberia, comprising the Governments of Tobolsk and Tomsk.
2. Central Siberia, comprising the Governments of Yenissei and Irkutsk.
3. The Yakutsk territory occupying the basin of the Lena.
4. The Province of the Amur.
5. The Kirghiz Steppes and the Province of Tourgai.

The great plain of Western Siberia may be said to be united to European Russia rather than divided from it by the chain of the Ural Mountains, as their mineral wealth and mining industries form a centre for the surplus agricultural productions of the western plain. The soil of this province is well adapted to agriculture, while the climate is only a little more rigorous than that of European Russia in the same latitude. The average winter temperature of the agricultural zone is −17° C. and the average summer temperature +17° C. The south-eastern extremity of the province


Sketch Map of
ASIA
SHEWING RAILWAY EXPANSION
Constructed Lines
Lines in construction
Expansion of Russia since 1857
Extension of Russian influence
St. Petersburg
Moscow
Kotlas
Viatka
Perm
Cheliabinsk
Samara
Orenburg
Omsk
Tomsk
Tobolsk
Yeniseisk
Yakutsk
Irkutsk
Trans Siberian Railway
Russian Empire
Manchuria
Harbin
Vladivostock
Habarovsk
Sea of Okhotsk
Mongolia
Urga
Chinese Empire
Kalgan
Peking
Port Arthur
Korea
Yellow Sea
Tai yuen
Kai-fong
Si-ngan
Hankow
Shanghai
China
Canton
Hong Kong
Yun-nan
Tibet
Lhasa
Nepal
Bhutan
Turkestan
Semipalatinsk
Akmolinsk
Uralsk
Turgai
L. Balkash
Aral Sea
Tashkent
Andijan
Khokand
Samarkand
Bokhara
Merv
Trans Caspian Railway
Khorasan
Meshed
Herat
Afghanistan
Seistan
Peshawar
Quetta
Nushki
Baluchistan
Delhi
India
Calcutta
Bombay
Madras
Karachi
Burmah
Mandalay
Prome
Rangoon
Siam
Korat
Bangkok
French Indo-China
Saigon
Mekong
Bay of Bengal
Arabian Sea
China Sea
Borneo
Persia
Teheran
Resht
Tabriz
Ispahan
Bushire
Bunder Abbas
Chahbar
Muscat
Arabia
Medina
Mecca
Aden
Red Sea
Koweit
Basra
Muhammerah
Baghdad
Mosul
Damascus
Jerusalem
Beirut
Acre
Turkey in Asia
Konia
Smyrna
Angora
Constantinople
Black Sea
Caspian Sea
Tiflis
R. Danube
R. Dnieper
R. Don
R. Volga
R. Ural
R. Ob
R. Irtish
R. Yenisei
R. Lena
R. Amur
L. Baikal
Hoang-ho
Yang-tze Kiang
Brahmaputra
Belgian
French
American

extends to the Altai Hills and constitutes the rich mining district of the Altai, a region ten times as large as Switzerland, which forms part of the personal domain of the Tsar. In the southern part of the province are found some large as well as a great number of smaller lakes, many of which are salt. A private expedition for the exploration of the northern region with a view to ascertaining its commercial resources was undertaken in the autumn of 1902 by some merchants of St. Petersburg.

Central Siberia, which exceeds in size Germany, Austria-Hungary, and France put together, constitutes two-thirds of the whole area of Siberia proper. Its southern part is more hilly than Western Siberia, as it includes the spurs of the Sayan Mountains, which here form the boundary of the Chinese Empire, and are rich in mineral deposits and precious metals. The climate is colder than that of Western Siberia. The area suitable for agriculture is less than 200,000 square miles, comprising the four southern districts of Yenissei and nearly the whole of the province of Irkutsk. The forest zone covers an immense area, and except near the banks of rivers the whole of the *taiga* region is unfit for settled habitation. The province of Yakutsk, comprising an area of 1,500,000 square miles, may be divided into the lowland west of the Lena, and the region east of that river traversed by the great chain of the Yablonoff Mountains, which in some places reach a height of 7,000 feet. Shut off by these mountains from the warmer currents of air from the south, this country has the severest climate known. Verkhoyansk, where a temperature of $-68°$ C. has been registered, is the thermometric north pole. The smaller rivers and numberless lakes begin to freeze in September and remain frozen until April, when, after a fortnight of terrific storms, the short but hot summer begins. During the four summer months the temperature may reach $40°$ C., although the soil at 2 or 3 feet below the surface is still frozen. This

ever-frozen soil exerts a great influence on the configuration of the lakes and rivers. It prevents the absorption of water by the earth, and accounts for the very great number of lakes and marshes in Northern Siberia. For the same reason the rivers very rapidly rise above their normal limits, causing at times most disastrous inundations. The larger part of the territory is forest, still to a great extent unexplored, but mineral wealth is known to be considerable. The mammoth tusks which are found when the spring floods have washed out the frozen earth are an important source of wealth. Some 17 tons of these tusks are collected annually, and Middendorff calculated that during the 200 years previous to 1840 the tusks of at least 20,000 mammoths had been obtained in Northern Siberia.

The Amur Province falls naturally into four divisions differing very considerably from each other, viz., the Trans-Baikal territory, the valley of the Amur, the valley of the Ussuri, and the Coast Territory—that is, the Okhotsk-Kamskatka region. The first of these divisions, co-extensive with the administrative division of the same name, covers an area of 236,868 square miles. It is traversed from east to west by the Stanovoi Mountains, the highest peak of which (8,125 feet) is Alpine in altitude and shows some patches of perpetual snow. The whole region is more or less mountainous, and little more than one-third can be considered fit for cultivation, 25 per cent. being covered with forest. The average winter temperature (–27° C.) is ten degrees lower than that of the agricultural zone of Western Siberia, whilst the summer temperature is the same, + 17° C. Forest industries are but little developed owing to lack of markets, but hunting is actively carried on by the aborigines, while gold mining employs 6,000 persons and forms the principal industry of the country. Trans-Baikalia is the only place in Asiatic Russia where zinc is found; it also possesses silver,

lead, copper, and coal. The country forming the basin of the Amur covers an area of 450,000 square kilometres (180,000 square miles). The climate is less rigorous and more humid than that of Trans-Baikalia. The average winter temperature is −28° C., that of summer +19° C. The period of vegetation lasts five months, and the culture even of the vine is possible in the most southerly extremity. The abundance of humidity is, however, unfavourable to agriculture; corn grows to an immense height, but the yield is small. Something has already been done to improve the climate by the clearing of the vast forests, but four-fifths of the province are still unfit for permanent cultivation. Agriculture is nevertheless the chief industry, as the forests and marshes are unsuitable for pasturage. Gold is found in quantities sufficient to cover the immense cost of working. The Ussuri littoral is bordered by a range of hills too near the shore to allow the rivers to be anything but mere torrents. The climate of the eastern littoral is damp and foggy, but there is a marked change in this respect towards the south, where Vladivostok is situated. The island of Saghalien is unfitted by climatic conditions for agriculture, but its abundant fisheries and minerals may become an important source of wealth. The northern part of the Coast Territory has a very severe climate and is economically unimportant.

The Kirghiz Steppes are distinguished from the plain of Western Siberia by the fact that they are traversed throughout their length by hills. The portion of the steppes which borders on the plain of Irtysh forms part of the Aral-Caspian plain. It is a true desert, waterless and devoid of vegetation. Over the steppe region extends an immense network of lakes, many of which have no outlet. The mineral wealth is considerable, including iron, copper, coal, and salt. The climate is sensibly warmer than that of Western Siberia, the average winter temperature

being −16° C., and the summer +20° C. The rainfall, on the other hand, is generally less, and in some districts during the summer there is no rain at all. The Russian inhabitants, who form only 24 per cent. of the total population of the steppes, are mainly engaged in agriculture, but the bulk of the people are Kirghiz nomads employed in the raising of cattle and sheep, especially the "fat-tailed" kind, which constitutes their chief wealth.[1]

Siberia has 27,843 miles of navigable rivers, 20,000 miles of which are navigated by steamers. Its four great rivers, the Obi, Yenissei, Lena, and Amur, with their tributaries, rank among the chief river systems of the world, and may be compared in size and importance with the Nile, the Danube, and the Mississippi. The Obi, which waters Western Siberia, is navigable for a length of 2,514 miles, while its basin covers an area of nearly 3,500,000 square kilometres (1,400,000 square miles). Owing to the flat nature of the West Siberian plain, the river, which rises in the Altai Mountains, soon expands into a broad, quiet stream, undisturbed by rapids, and with a breadth at Barnaoul of 153 yards, which increases below the junction of the Irtysh to 3,512 yards. Traffic is, however, entirely confined to the summer months, as the river is frozen from the middle of October to April. Its course is northwards, and for ten months of the year its estuary in the frozen Kara Sea is inaccessible. The passage of the Kara, discovered in the seventeenth century, was lost for 200 years, until the possibility of navigation was again established by the expeditions of Wiggins (1874) and Nordenskjold (1875-6). From that time trade was carried on regularly between the Thames and the Obi until 1890, when an entire expedition failed. One steamer was jammed in the ice, and the others had to return, leaving the objects of

[1] M. P. de Semenov, "La Russie extra-Européenne et Polaire," pp. 1-109. Stadling, "Through Siberia," ch. xiii. "The Great Siberian Railway," pp. 1-3.

the voyage unaccomplished. The Kara Sea is only open for two months—a very short time for vessels to ascend the river, discharge, ship a fresh cargo, and return. The economy of the route, however, makes it well worth the risk, as the cost of transport is some 2*s.* 6*d.* per 220 lb. less by this route than by any other.

As an outlet to the ocean the Obi can never attain any great importance, but as a means of internal communication it possesses the highest value. This is especially the case in its upper part, where it flows through an agricultural region, comparatively speaking, thickly populated. In this district the Obi, with its great tributary, the Irtysh, and its hundreds of smaller streams, might form an invaluable means of communication. Little, however, has yet been done to utilise its great resources, no telegraphic communication existing north of Tobolsk; while that part of the river where traffic is most developed—viz., between Tiumen and Tomsk—has only one service of steamboats weekly. Steamers were first used on the Obi in 1843; in 1885 their number had increased to 51, and in 1899 to 119, with a total energy of 7,750 horse-power. The use of wood for fuel forms the great obstacle to the development of steam navigation on the Obi, its bulk rendering it impossible to take a large quantity on board at one time. Hence stoppages must be made twice a day to take in fresh supplies, and a numerous crew are required to handle it. The discovery of coal measures at Ekibatuz, at a distance of only 68 miles from the Irtysh, which have been regularly worked since 1900, will no doubt facilitate the use of coal, and lead to the use of a new and more modern type of boat. Steamers are chiefly used for towing barges and for the transport of raw materials, 80 per cent. of which is grain. The opening of the Siberian Railway has lessened the river traffic in light and high-priced commodities, and Tiumen has begun to lose its former importance as a river port. On the other hand, the existence of the railway has helped to develop new

ports to serve those parts of the rivers to the south of the line which are rich in raw material—viz., Omsk on the Irtysh, and Obi and Novo-Nikolaieflsk on the Obi. The canal joining the Obi to the Yenissei, which was begun in 1883 and finished in 1894, has not realised the expectations formed of it. The locks are too small to admit steamers of the size usual on Siberian rivers, so that it is only during five or six weeks, when the water is at its highest, that boats of 80 tons can pass.

The Yenissei is navigable from its entrance into Siberian territory to the sea. It has no bar and is accessible to ocean steamers for 1,000 miles from its mouth, but as it flows into the Kara Sea its navigation is attended with the same difficulties as those which beset the Obi. Its tributary the Angara, owing to its rapids, has a navigable course of only 372 miles, but it is open from April to November or even December, as on account of the force of the current it does not easily freeze. Lake Baikal is open for nearly the same period, but in summer is subject to violent storms. In the winter its entire surface is frozen, and it is then easily crossed. In 1900 the fleet of the Yenissei included thirty-seven steamers, but nothing has yet been done to minimise the dangers of navigation, there being no buoys, no pilot service, and no winter harbourage. "For the safer navigation of the stormy Baikal Lake . . . the Siberian Railway Committee entrusted a special Commission, organised by the Minister of Marine, with the task of making an exhaustive hydrographical survey of the lake. By 1900 the expedition discovered a good many convenient bays, corrected the existing chart of Lake Baikal, and built lighthouses on the four most important points along the coast."

The upper course of the Lena, the only populated region, is obstructed by rapids. Below Yakutsk, where it attains the immense width of fifteen miles, it flows through a waste region of tundras and spreads itself

into a delta, wrapt in fog, before reaching the Polar Ocean. Steam navigation on the upper part is fairly well developed owing to the gold mines in the basins of the Vitma and Olekma. The Amur, in some respects the most important river of Siberia, flows east instead of north, and finds its outlet in the comparatively ice free Sea of Okhotsk; as the northern frontier of the Chinese Empire it forms a political boundary of great importance, while navigation, not only on the Amur, but on its tributary the Sungari, which flows through Manchurian territory, is assured to Russia. The basin of the Amur comprises about 37,000 square miles, the approximate length being 3,000 miles. Navigation is possible to steamers of shallow draft throughout its entire length, though its bars, consisting of large boulders, form a serious danger, especially as the level of the river is extremely variable. In the spring it is in flood, and in summer when no rain falls it is dried up. In 1885 three steamers were aground for more than a month. The Shilka is even shallower. "The river," writes Mr. Hosie, "begins to rise in July, but so little time is then left before it is blocked by ice that it can never be looked upon as a commercial highway of any practical value." According to the *Dalny Vostok*, a paper published at Vladivostok, smuggling is now (November 1902) practised on such a scale in Manchuria as to ruin the Russian trade on the Amur. In view of this and other contingencies it seems likely that the scheme, mooted some time ago, for patrolling the Amur by Russian troops, will be carried into effect. "The complete possession of the Amur would be fraught with exceptional advantages. Nikolaieffsk, a most important strategical point at the mouth of the Amur, is very inadequately equipped to withstand a vigorous attack by a torpedo-boat flotilla. The Russian authorities are becoming convinced that, if only as a subsidiary measure to the attainment of the complete and final pacification of the Manchurian frontier, an organised patrol service along the boundary

waterway must be established." Its traffic is principally in the hands of the Amur Steamship and Traffic Company, which in 1900 possessed ninety-four steamers plying on the Shilka, the Amur, and the Ussuri. There are no special passenger steamers, and the freight and tug steamers used for this purpose are far from satisfying the requirements of passenger traffic.[1]

For forty years the project of a railway through Siberia was discussed in Russian official circles, but no definitive steps were taken to secure its construction until 1890, when the Tsar Alexander III. annotated a report of the Minister of Ways with these words: "The construction of this railway must be begun forthwith." The first stone was laid on May 19th, 1891, by the Grand Duke Nicholas, the then Tsarevitch, now the reigning Tsar. Cheliabinsk forms the western starting point of the railway, whence it proceeds *via* Petropavloffsk through the fertile zone of Western Siberia. Crossing the Irtysh at Omsk, it traverses the Baraba Steppe to the river Obi. The important town of Tomsk is left at a distance of fifty miles to the north, and the line runs on through the agricultural district of Mariinsk, crosses the Yenissei, and bends southwards to Irkutsk and Lake Baikal. The circum-Baikal connecting line round the southern shore of the lake is not yet laid, and the passage of forty miles across Lake Baikal is accomplished by means of steam ferries provided with ice-breakers, which are necessary as late as May. Two large steamers, capable of shipping an entire train, have been built by Armstrong, Whitworth & Co. for this purpose. It was originally intended to continue the line in the direction of the Amur to the coast, but this plan was abandoned for the time on the concession by China of the right to lay a railway through Manchuria. The line, therefore,

[1] Yadrinseff-Petri, "Sibirien," pp. 513-32. C. Aulagnon, "La Sibérie économique," pp. 11-29. "Guide to the Great Siberian Railway," pp. 381, 400, 401. A. Hosie, "Manchuria," p. 125. *Observer*, November 16th, 1902. *Times*, November 10th, 1902.

as at present constructed, stops at Stretensk on the Chilka, and at Kaidalovo is joined almost at right angles by the Manchurian section. Another, line, and Vladivostok. The two lines traversing Manchuria following the course of the Ussuri, connects Harbaroffsk from Kaidalovo and Vladivostok meet at Harbin, and thence run southwards to Dalny and Port Arthur.

About 70 miles west of Hailar and 650 miles north of Pekin starts a branch railway which is eventually to reach the Great Wall at Kalgan. The first news of this railway was contained in Mr. Wirt Gerrare's "Greater Russia," published in 1903 (pp. 268-9), and according to his view its construction was the principal reason why the Russians were unwilling to allow Englishmen to travel in Manchuria in 1902. I am free to confess that I heard nothing of this branch as an accomplished fact when I travelled through Manchuria in May 1902, and it seems also to have escaped the notice of Dr. Morrison, who was in the same district later on in the same year. Mr. Gerrare was more lucky, and saw with his own eyes (p. 268), he tells us, the construction trains proceeding along this important branch, the very existence of which has, he admits, been doubted.

By the terms of the Cassini Convention the shareholders of the Chinese Eastern Railway were to be confined to Russians and Chinese, and the work was to be begun within twelve months from the signing of the agreement and completed in six years. At the end of eighty years the line was to become the property of the Chinese Government, with the option of taking it over at the end of thirty-six years by paying the cost, debts, and interest. The first sod of the Trans-Manchurian Railway was cut on August 28th, 1897, and in the following spring Russian engineers ascended the Amur and Sungari rivers, and fixed on a spot about seven miles inland from the right bank of the latter as the place of junction of the Trans-Manchurian and Central Manchurian Rail-

ways.[1] "There was one solitary house—a Chinese distillery—on the spot at the time; but at the present time Harbin is a large town of several thousand inhabitants." M. de Witte, in the extracts from his report on his journey to the Far East which have been published in the *Petersburger Zeitung*, thus describes the town: "Harbin, which from the commencement of the construction of the Manchurian Railways has been the principal administrative railway centre, is situated on the right bank of the Sungari at the point where the branch lines to Dalny and Port Arthur divide. The town stands in the centre of Manchuria, at the meeting-point of the railways which traverse the country, and on a navigable river. Anticipating that the place would become a commercial and industrial centre of great importance, the railway administration took steps from the first to obtain the greatest possible extent of land, so that the present town, with its future suburbs, covers an area of 3,500 dessiatins" (or about 14½ square miles). It includes three distinct parts—the port, a Russo-Chinese settlement on the bank of the river, the new official town which includes the station, and old Harbin, some six miles off, where the civil and military administration is temporarily housed. The new town is planned on a scale similar to that of Dalny. The centre is, as at Dalny, an Orthodox Greek Church. Prince Hilkoff, who showed me over, could point with pride to the extraordinary results attained by the Engineer Corps to which he belonged within so short a time. The total population of Harbin at the time of M. de Witte's visit was 20,000, of whom 9,000 were Russians.

The total length of the Trans-Manchurian line, from Kaidalovo to where it joins the Vladivostok-Habaroffsk line, is about 1,580 versts (1,047 miles). Owing to the mountainous nature of the country,

[1] These terms are used by Mr. Hosie to denote the lines running east and west, and north and south respectively, across Manchuria.

tunnels are of frequent occurrence—that at Khin-Ghan is nearly 1⅜ mile in length—and the total length of bridges amounts to 1,649 miles. In spite of all difficulties of construction the line has advanced very rapidly. M. Legras states that the one instruction to the engineers was to make haste; and so well did they carry it out that the work was completed by November 1901, when the whole system was opened to temporary traffic. The line was formally opened to the public on January 1st, 1902, and the establishment of a regular service for passengers and merchandise between Port Arthur and stations on the Siberian line was inaugurated on March 1st, 1903. The railway thus runs in a practically straight line from Cheliabinsk to Vladivostok and Port Arthur. Cheliabinsk, at the western extremity of the line, is connected with Moscow by the Zlatoust-Samara Railway, and several branch lines to the west have been already laid or are in course of construction. Such are the Tiumen-Perm and the Kotlas-Viatka-Perm lines, which, meeting at Ekaterinburg, the capital of the rich Ural mineral district, run into the main Siberian line at Cheliabinsk. A continuation of this line from Viatka through Vologda to St. Petersburg, begun in 1901, will connect Siberia with the Baltic. This line will necessitate either the relaying of the existing line from Cheliabinsk to Perm, which has a very slight carrying capacity, or the formation of a new direct line between these two points. Such a route would have the advantage of being shorter and of serving a number of mines and factories in the western Urals.

Communication between Western Siberia and the Baltic ports is a question which affects Russia as well as Siberia, for Russian agriculturists could not view with favour the glutting of their markets by cheap Siberian corn. To prevent this, up to the present time high freights have been charged on this section of the line; but if the railway were extended to the Baltic and the surplus grain could be shipped abroad,

freights might be lowered without injury to the home market. A second branch from Kotlas to Archangel is proposed, and seems likely to be of importance. A line has been projected from Obdorsk to Bielkovski Bay, which is intended to carry the traffic of the Obi to the open sea and avoid the difficult route by the Kara Sea; but the absence of population along the course of the proposed line, the difficulty of carrying it across the Urals, and the nature of the soil, which in summer is a network of marshes, seem to render the project of doubtful value. *The Times* of August 15th, 1902, mentioned yet another project: the construction of a line from Tomsk, through Barnaoul, Semipalatinsk, and Verni, on to Tashkent, in addition to the line now under construction from Orenburg to Tashkent. The Siberian and Trans-Caspian Railways are thus on the eve of being united, and communication will then be established between the general railway systems of European and the two main systems of Asiatic Russia. The proposed Tomsk-Tashkent Railway would pass through a country rich in minerals; while the Kolchougan mines, near Tomsk, with their rich deposits of coal of good quality, alone are capable of supplying fuel for the Siberian Railway, for the projected line, and for the general purposes of industry in the region thus rendered accessible.

The total length of the Siberian Railway, with the Manchurian branches, will be 5,542 miles. Its total cost up to 1900 amounted to £78,000,000, of which £50,000,000 had been already expended. M. de Witte, in his report on his journey to the Far East, gives the cost up to 1902 as 758,955,907 roubles, and estimates the ultimate cost, including the construction of the line round Lake Baikal, at not less than a milliard of roubles. He also mentions the extra outlay caused by the railway on administrative and military forces in the Far East, and on the necessary increase of the fleet in the Pacific and the construction of harbours. The initial cost of the railway cannot be considered

great when the enormous difficulties of the undertaking are considered. There were in the first place the difficulties of procuring the necessary number of workmen, 150,000 of whom were employed at a time, of laying the permanent way in a country which was then surveyed for the first time, where the subsoil was frequently frozen, and work could only be carried on during the brief period of summer, where great river basins, liable to sudden and severe inundations, had to be traversed, and all supplies to be brought from centres many hundreds of miles distant. There was, secondly, the expense incurred in the building of thirty miles of bridges, necessitated by the great rivers which the railway crosses; and, finally, the fact that much of the line had to be relaid, not only because the original way was too light to bear heavy traffic, but because the line, however heavy, is at the mercy of sudden frosts and thaws. But the expenditure has not in all cases been justifiable on such grounds as the above. It is impossible for any one who has travelled through the country to ignore the suggestion so generally made that there has been not only culpable negligence, but even corruption and peculation on no small scale in connection with the construction of the line. One of the principal objects of M. de Witte's journey to Siberia in September 1902 was said to be the investigation of these irregularities.[1] Official reports point with pride to the fact that the railway, "with all its branches and auxiliary undertakings," has been constructed by Russians and with Russian money. It has, of course, thereby afforded a splendid market for the produce of Russian ironworks; but, on the other hand, its total cost must have been greatly augmented, since rails from the factories of the Urals cost nearly twice as much as those imported from England. "As to the paying prospects of the line," says Mr. Consul-General Michell, "the fact cannot be overlooked that it is not essentially an ordinary

[1] *London Observer*, September 28th, 1902.

business undertaking worked for profit, but a great State project of vast political and strategic importance, whose dividends are being secured now, as they will be in the future, in territorial influence rather than coin of the realm."[1]

The figures with regard to traffic, which are at present available, refer only to the Cheliabinsk-Irkutsk section, as traffic was not begun on the Trans-Baikal line till July 1900. The following figures show that the expectations of the Railway Committee with regard to the amount of traffic were more than realised:—

Year.	Passengers.	Goods.
		Tons.
1895 (3 months)	211,000	57,000
1896	417,000	184,000
1897	600,000	443,000
1898	1,049,000	700,000
1899	1,075,000	657,000
1900	—	690,000
1901	1,118,000	855,000
[2] Total	4,470,000	3,586,000

Corn forms 42 per cent. of the total exports of Siberia, and is sent principally to the European market *via* the Baltic ports. Next come the various products connected with cattle-raising, meat, butter, tallow, wool, hides, and eggs. The direction of exportation is as yet chiefly westwards. Corn and other heavy goods are generally sent by water, but the railway is used to a considerable extent for the despatch of corn, especially over long distances, which are proportionately less expensive than short ones. The

[1] *Times*, October 22nd, 1902; March 2nd, 1903. Hosie, "Manchuria," pp. 44, 49; C. Aulagnon, pp. 39-45. "Foreign Office Reports," No. 533, pp. 1-9. "The Great Siberian Railway," pp. 7-10. *Revue des Deux Mondes*, July 1st, 1902, p. 135. *Petersburger Zeitung*, Feb. 19th, 21st, March 4th, 6th, 1903.

[2] It is estimated that to pay working expenses the quantity of goods carried per annum should be 370,000,000 poods (5,000,000 tons).

superior speed of the railway is of great importance to freights of meat and dairy produce. Butter in 1901 was sent five times a week by express train to the Baltic ports in special refrigerator waggons. Of goods in transit, tea forms the chief item, in 1898 the quantity being 36,000 tons. The imports carried by railroad are not, up to the present time, of very great importance. In 1899 sugar headed the list, with 894,786 poods (14,380 tons), raw iron and steel came next, while cloth, machinery, and instruments, imported foods and confectionery, completed the list. That the railway will occasion a great increase in traffic, both in exports and imports, seems certain, when it is remembered that "it connects Russia proper and all Europe on the one side with 400,000,000 Chinese, 35,000,000 Japanese, and the various Russian and other territories of the Far East on the other. It is expected largely to divert goods hitherto carried to Europe *via* the Canadian Pacific Railway or Suez Canal." The avoidance of the canal dues, the relatively small difference between Russian railway fares and the sea freight, with the removal of the necessity of expensive insurance, are all brought forward as favourable to the overland route. Certain foodstuffs, which might be injured by passing through the tropics, will prefer the railway; and it will, of course, absorb the caravan trade in tea, and even that portion of Chinese tea destined for Siberia and the Urals, which has recently entered Russia *via* Odessa, may be confidently expected to revert to the old land route, or rather to the railway. Teas intended for European Russia would travel equally well by the sea route. The duties on tea conveyed overland have recently been raised, thus equalising the cost of delivery by sea to Odessa and overland from Dalny to Moscow. A writer in *The Commercial and Industrial Gazette*, in an article on the Nijni fair, states that, in spite of this equalising of freights, the railway route will exercise a great influence on the tea trade, chiefly because deliveries will be regular,

and the old chronic detentions caused by want of water in the Amur will disappear. Samples of fresh tea from Hankow can also now be sent by express, and thus orders can be given early—a factor of extreme importance to the market, to which conveyance by rail is also expected to give steadiness. The exact number of trucks loaded at Dalny will be known, whereas the amount despatched by the caravan route and *via* the Amur was never ascertainable, and the market was kept in a constant state of tension. The commercial branch of the Chinese Eastern Railway is now organising the carriage of tea from Hankow to Moscow, with full responsibility for speedy, correct, and safe arrivals, and merchants are saved all the difficulties and extra expense of the customs, as all formalities of this kind are undertaken by the railway. "It is early," said Mr. Cooke, writing in the autumn of 1902, "to forecast the changes that may occur. The Manchurian Railway authorities and the Government are evidently doing their best to attract this valuable freight to the direct land way." Tea has hitherto formed 98 per cent. of the imports from China to Siberia, the rest being cotton and silk goods and sugar.

"What the future may develop is another question. The agreement with China, with the construction of the railway through Chinese territory, lays all the fertile fields of Manchuria, and in general the resources of China and Korea, at Russia's disposition." The exports of Siberia, as at present existing, do not stand at a high figure; but there can be no doubt that, given the needful increase of population—and the railway is the means of effecting this—they might be multiplied indefinitely.

The present volume of trade, according to a recent traveller, Mr. Fraser, "is a mere scratching in the region of possibilities." M. Legras, on the other hand, who has the advantage of knowing the language and the country well, is of opinion that the goods traffic

of the railway will never attain to anything more than local importance. The sea route will always have the advantage of greater cheapness, and the ten or twelve days more required for the voyage will not be prohibitive to the bulk of the traffic. As a means of internal communication, he predicts for it a great future. It will facilitate emigration, distribute European goods to all the large Siberian centres of population, and will enable Siberia to dispose of any surplus it may have of butter, meat, and grain. The Manchurian railways will also, he thinks, be chiefly useful as a local means of communication; and, if one can judge from the eagerness with which Chinese avail themselves of railway facilities elsewhere, the carriages allotted to Chinese passengers will always be crowded. Goods will be sent direct from Manchuria to Trans-Baikalia, which formerly had to take the roundabout and expensive route by Vladivostok and the Amur. It will also open up the fertile districts in the south and east of Manchuria which have a large industrial and agricultural population, as well as coal and metal mines.

The advantages of the railway as a means of passenger communication were described at a meeting of directors as follows:—"In comparison with the sea route, this new service will have every advantage as regards comfort, speed, and transport power. As regards speed, it is to be noted that the distance from the big towns in Western Europe to the Russian frontier stations—Alexandroff and Wirballen—takes from two to three days, and from these stations to Port Arthur or Dalny, 15½ days; secondly, that from the same frontier stations to Inkow (Newchwang), and thence by the North Chinese Railway to Pekin, counting 24 hours for the journey from Newchwang to Pekin, will take 16 days; and that from Port Arthur to Shanghai or Nagasaki by sea takes from two to three days. The journey, then, to Pekin will take 18 to 19 days, and to Chinese or Japanese ports from 20 to 21½ days. In comparison with the sea route from

English ports and from Hamburg the difference is considerable, for it takes from 31 to 32 days to reach Shanghai *via* Brindisi or Naples and the Suez Canal, or from 31 to 33 days *via* Vancouver. So that the land route shortens the journey by from 13 to 15 days, making in the double journey a full saving of nearly a month. But the new line offers still other advantages. . . . At present the cost of the journey, food included, from London or Hamburg to Shanghai and Nagasaki is, *via* America, first-class, 1,694 fr., and second-class, 1,067 fr.; *via* Suez, first-class, 1,974 fr., and second-class, 1,094 fr. By the land route across Siberia the price of tickets, including the 14 fr. per day per person for meals and the additional charge for express trains, is at present about 1,067 fr. first-class, and 881 fr. second-class. For third-class passengers the sea route from Hamburg to Shanghai costs about 601 fr., but the Siberian route only about 267 fr."

The express train which leaves Moscow every Saturday evening is probably the most luxurious train in the world, sleeping, restaurant, bath, and library cars being provided. The journey, which can be accomplished really with equal comfort by the alternate trains of the International Wagon-Lit Company, takes 7½ days to Irkutsk, and took 10 days to that town from Port Arthur in May 1902, when I travelled over it. M. de Witte's journey on the Manchurian Railway took 50 hours by special train from the station of Manchuria to Harbin, from Harbin to Vladivostok 40 hours, and from Harbin to Dalny 50 hours. Stations have been erected all along the line at a distance of about 26 miles apart. At most of them good food can be bought at the buffet, and the *moujik* can obtain boiling water for his tea from the common *samovar* on the platform. The line is as yet only a single track, and the bridges are constructed only for a single track, so that the risk of congested traffic, and the obligation of carrying troops and transport, may render a close adherence to time-tables impossible for some

time to come, but even when allowance is made for all drawbacks the railway is cheaper and quicker than any sea route. Everything has doubtless been done to secure the comfort of passengers; but the question arises, nevertheless, "Will there be any passengers?" M. Legras is of opinion that a great increase of local passenger traffic may be expected, and emigrants there will always be; but the first-class passenger, from Paris to Pekin—? The journey, in spite of the extreme lowness of the fares, would prove expensive, for the maximum allowance of free luggage is 36 lb., and a penny is charged for every extra pound. To break the journey is not easy, for the stations are miles away from their towns, and the risk of losing luggage is an ever-present danger. Twenty days of continuous railway travelling, in a country devoid for the most part of scenic attractions, has little to recommend it, and it therefore seems likely that the majority of passengers will prefer the sea route. The postal service seems to offer a more certain return and to present fewer difficulties. To the mails a means of transit which is quick, certain, and independent of steamboats ought to prove of extreme importance. If the Siberian Railway is able to organise a rapid, safe, and punctual service, there can be little doubt that it will secure all the mails for the Far East. It is, of course, assumed that the thefts which are now so frequent will be entirely stopped, that time-tables will be adhered to, and that derailments will be as exceptional as in Europe.

As regards goods, thirty-eight tariffs are now in force on the Siberian Railway for the different articles which form the principal traffic of the line. Freight charges, like passenger fares, are all based on the principle of charging less per verst in proportion as the distance increases. Thus the charge for grain up to 180 versts (119 miles) is 30 kopeks per verst (3,500 feet) for each full waggon (750 poods), a charge which diminishes progressively until a waggon carried for a distance over 1,120 versts (739 miles)

is only charged $6\frac{1}{2}$ kopeks per verst. A specially low tariff for tea, called a "navigation tariff," is enforced during the summer in the hope of attracting to the railway some portion of this very profitable freight. Tariffs on the Siberian Railway as far as Irkutsk are the same as those prevailing in Russia, but on the Trans-Baikal and Chinese Eastern Railways they are considerably higher. An article in *The Times*, dated August 11th, 1902, states that "the new goods rate will be lowered, though it has been found impossible to fix the rate as low as that prevailing on the generality of Russian railways, in consequence of the heavy cost of upkeep on the Siberian and Chinese Eastern Railways. It seems to be beyond doubt that the goods rate on these systems will be such as seriously to hamper traffic; but the extent of the lines, the sparseness of population in many of the regions through which they run, and the cost of the haulage of coal . . . are such as to make it impossible for the railway administration to grant all at once a tariff which only heavy and more highly developed traffic would warrant." One effect of the "zone tariff" system has been to discourage the growth of large distributing centres. Tomsk has thus already lost the predominating position as a commercial depôt which it formerly enjoyed.

The volume of goods traffic has proved greater than was expected, and the arrangements for dealing with it have been so inadequate that serious complaints have arisen in consequence of the loss and delay incurred. "Owing to the slow rate at which the trains travel and to the lack of proper goods stations, and also to the entire absence of any system of safeguarding the freights, robbery takes place on an enormous scale. In fact, so far as the loss of goods by theft is concerned, the Siberian and Trans-Baikal Railways hold the unenviable position of being first on the list of the world's railways. The absence of goods sheds and the careless handling of goods in

loading and unloading the trucks has led to so many claims for compensation that it will take years to go through and satisfy them. Thus at Irkutsk alone claims against the Trans-Baikal Railway have been made to the amount of £220,000, while at Tomsk the claims against the Siberian Railway amount to £55,000."

The delay and slow speed complained of might be remedied to a great extent by the use of coal instead of wood for fuel. The line, generally, lies south of the *taiga* region, so that wood has to be brought from a distance; but, even if the forests were immediately accessible, wood would still be a poor substitute for coal. "Wood as fuel can have no lasting or practical future in Siberia, and if at present it is used on the line, this can be but temporary." The coal beds in the vicinity of the railway, as far as at present worked, have not proved of good quality; but coal of varying quality exists all over the country, and only capital is required to make it available. The present speed of goods trains on the Great Siberian Railway brings the duration of the whole journey, say, from Paris to Dalny, to 50 days by express and 110 days by slow trains, whereas the sea voyage from London to Shanghai takes only about 32 days. It is possible in the future, when a double line is laid, that speed could be raised to the average commercial rate of 15½ miles an hour, and the journey to Dalny or Vladivostok accomplished in 20 days, which would give the railway an advantage of 10 or 15 days over steamers. Even then the diversion of heavy sea-borne commodities to the railway would be a question rather of cost than of time, and in respect of freights the railway cannot compare with the cheapness of carriage by sea. The existing sea freights per ton are about 40*s.* from Shanghai to London or Hamburg, and 42*s.* 6*d.* to Havre, Genoa, and Marseilles. The corresponding distance by rail is some 11,000 kilometres (6,820 miles), and 40*s.* per ton = ·0086 fr. per kilometre,

or about one-third of a centime per ton per kilometre. "The lowest tariffs in the world are double this amount, and with such charges no railway could cover working expenses." Certain light goods, such as tea, have, as has already been stated, been diverted to the railway by means of special tariffs, and it is expected that silk may also prefer the overland route, as, owing to the extreme care necessary in handling, it now pays the relatively high freight charge of 50 fr. per 100 kilometres, a price equivalent to 4½ centimes per ton per mile.[1]

The construction of the Great Siberian Railway made the possession of an ice-free port more desirable than ever. After the expenditure of so much labour and capital Russia could never be satisfied with an outlet which during the winter must be closed to navigation. The gradual advance in her schemes in the East, both commercial and political, may be traced by the ports which she has abandoned—Petropaloffsk, Nijni-Kamskatz, Nicolaieffsk, and lastly, though the abandonment is not likely for many reasons to be complete, Vladivostok.[2] As recently as 1891, when the Siberian Railway was begun simultaneously at both its eastern and western extremities, Vladivostok was the scene of the eastern inauguration and formed the most southerly port of Siberia. The "Guide to the Great Siberian Railway," published in 1900 says: "The opening of continuous steam communication by the Great Siberian Railway, in connection with the construction of a commercial port at Vladivostok, meeting all the requirements of commercial intercourse at the terminus of the great transit route, will serve to promote the progress of trade in this port, giving it

[1] C. Aulagnon, "La Sibérie économique," pp. 47-50. Leroy-Beaulieu, "La Renovation de l'Asie," pp. 150, 151. "Foreign Office Reports," No. 553, July 1900, pp. 10, 11, 17; No. 585, 1902, pp. 9, 10, 12, 15. *Times*, August 1902. J. F. Fraser, "The Real Siberia," ch. xi. *Revue des Deux Mondes*, July 1st, 1902, pp. 154-5. *Board of Trade Journal*, September 25th, 1902. *Petersburger Zeitung*, February 21st (March 6th), 1903.

[2] Since these lines were written Vladivostok has once more been reinstated in her position as the capital (*Times*, October 1903).

a universal and powerful significance in the history of civilisation." The commercial importance of the town is rapidly increasing; it seems "destined to be the great commercial port of all Eastern Siberia, the outlet of the whole province comprising the Trans-Baikal, the Amur, and the littoral provinces. Eventually, it is said, the seat of government will be removed from Harbaroffsk to Vladivostok. Then are expected to come, not only additional factories, but also shipbuilding works, iron foundries, etc." About twenty miles from Vladivostok a layer of grey coal of excellent quality has been found, and it is hoped that these mines may yield enough to drive out the costly coal from Japan. Up to January 1901 Vladivostok was a free port, but since then the Russian European tariff has been in force, and the position of the town as a distributing centre for Korea and Manchuria has been affected, the imports chiefly influenced being manufactured articles. The imposition of Russian duties has entirely stopped the import of fancy articles, woollens, prints, and similar things, and has very much decreased the importation of canned goods, such as sardines, milk, pickles, and sauces, which formerly came mostly from England. One result has been that British manufactures have reached Korea direct through the port of Wonsan. Vladivostok imports annually a large amount of live-stock from Korea, and there is a considerable movement to and fro between China and Vladivostok of coolies who are employed by the Russians on railway work. Trade is almost exclusively in the hands of the Chinese, while industry is controlled mainly by the Japanese. Vladivostok, situated in about the same latitude as Venice, has an annual mean temperature of 4·6° C. The minimum is – 25·6° C. The bay on which the town stands forms, in virtue of its extent, depth, and convenient outlet, "a harbour skilfully created by nature." It has, however, one fatal defect: it is ice-bound for 110 days, from December 15th to April 4th. The use of an ice-breaker in the winters of

1893 and 1894 proved that a channel could be kept open, but the disadvantages of Vladivostok as the sole terminus of the great railway were so manifest that the securing of some better outlet became the next aim of Russian diplomacy. In Mr. Henry Norman's graphic phrase, Russia "goes to the sunrise and warm water."

The same sense of Russia's destiny was expressed in the edict in which the Tsar announced the lease of Talienwan and Port Arthur. This edict, dated July 30th, 1899, declares that "Our Empire has been summoned by Divine Providence to contribute toward the friendly intercourse of the people of the Occident with those of the Orient. In attaining this historical object we have had the friendly co-operation of the Emperor of China, who has ceded to us the use of the port of Talienwan and of Port Arthur, and has opened to us through his possessions an outlet for the great line of Railway from Siberia to the Yellow Sea." By an agreement, dated March 15th, 1898, Port Arthur and Talienwan were leased to Russia, with the right to connect these ports with the main line, and on March 17th, 1898, Talienwan was declared to be a free port. The "warm water" was reached at last. The bay of Port Arthur is ice-free all the year round, but it is narrow and not deep; the entrance, however, is admirably protected by the fortified heights which surround it. The strategical importance of Port Arthur, commanding as it does the approaches to the Chinese capital, cannot be overestimated. Russia is evidently fully alive to the advantages of the situation, for barracks are everywhere, and still more barracks are being built. Indeed the town is fast losing its civil character and becoming more and more of a fortress. Stores have been laid in, and it is now said that the port could maintain 8,000 men during a siege of two years. The Dalny correspondent of the St. Petersburg *Viedomosti* (quoted in *The Board of Trade Journal*, April 30th, 1903) says: "A number of measures have been decided on restricting the com-

mercial development of Port Arthur, by which Dalny will gain. The chief among these are the opening before long of a custom-house at Dalny, and making the line between Port Arthur and Nangalin a branch line. In consequence of these measures the commercial firms at Port Arthur will be obliged to forward their goods, not direct to their destination, but first to Dalny, where they must go through all the inconveniences and formalities of re-expedition. In consequence the commercial centre of the Kwang-Tung Peninsula is bound to be transferred from Port Arthur to Dalny." It is indeed Russia's declared intention to reserve Port Arthur as a military and naval base and to encourage the development of commerce at Vladivostok and Dalny, but locally I found a considerable number of influential men who thought there was ample room for commerce as well as naval armaments at Port Arthur, and their views have no doubt been laid before M. de Witte.

Talienwan, which is on the other side of the bay to Dalny, is apparently at present used as a naval depôt. That was the impression I gathered when visiting Dalny in May 1902. Nominally it is a free port, open to commerce and possessing a railway. The port of Dalny has been created since the acquisition of its site by Russia in 1898. It is situated at a distance of 45 miles north of Port Arthur on a wide bay, never frozen, and protected by headlands from the southerly and easterly winds which make the bay of Port Arthur stormy and dangerous. Commercial activity is the characteristic of the place, and there is an ostentatious absence of the militarism so conspicuous at the latter place. The harbour is naturally shallow, but is being deepened—a work of great expense and difficulty owing to the rocky nature of the bottom, and at the present time ships with a draft of 30 feet can enter at low water. Five large piers are being constructed, so that vessels may discharge their cargoes in all weathers and have them loaded direct into vans which will carry them—

if need be—to St. Petersburg. It has lately been found necessary to add an immense breakwater at right angles to the piers in order to protect ships from the accumulation of broken ice formed in the shallower parts of the bay, and blown in-shore by the north winds which prevail in winter, and to which the harbour is unfortunately exposed. Docks two miles in extent lie between the piers, and two dry docks are in course of construction. "It is difficult to conceive of a port," writes Mr. Miller, the U.S. Commercial Agent at Vladivostok, "where the economy of handling cargo will excel that of the harbour of Dalny when it is completed." The town is being most carefully laid out in three divisions—administrative, commercial and retail, and residential. The Chinese town, which at first was included within the limits of the administrative town, has now been moved farther away, on account of the insanitary habits of the Chinese. When Mr. Miller wrote, 23,000 men were at work in the construction of the port and town, and the total population numbered 50,000, mostly Chinese; but there were also many Japanese, Koreans, and Russians.

The town is to be managed by a council elected by the ratepayers. Two members must be Russians, and not more than two Chinese or Japanese can be elected at the same time. The water supply, lighting, and tramways are not to be under the control of the council. The town is being constructed by the Chinese Eastern Railway Company, under the direction and with the support of the Russian Government, and the total cost is estimated at a million roubles. The railway company has already over twenty vessels engaged in trade with Dalny and Port Arthur, and it is intended to increase and improve this fleet, and to have fast passenger steamers to Japan and the Chinese ports.

The commercial aspect of Dalny was, as might have been expected, strongly emphasised by M. de Witte in his report. He spoke of the need of coal to promote steam navigation, which it was hoped might be supplied

by the mines of Southern Manchuria, and urged that while everything should be done to further the interests of Russian trade at Dalny, it must never be forgotten that this port was a centre of international commerce, and that care must therefore be taken to avoid anything which might hamper the trade of foreign nations. The complaints of the merchants of Vladivostok, who maintain very justly that the creation of Dalny has spoilt their trade, received scant attention from M. de Witte, who merely reiterated the superior advantages which Dalny possesses over Vladivostok, and stated that the omission to create a port there would have been the greatest possible mistake. No doubt M. de Witte wished to appear as the promoter of foreign commerce at Dalny, but it is probable that this may not always be his attitude. "While Russia is consolidating her position in Manchuria," says Dr. Morrison, "possible foreign jealousies must be placated. So the railway is represented as a commercial railway, and Dalny as a free port." But a "free port in Russia would be a phenomenon greater than parliamentary representation, freedom of the press, and manhood suffrage. Dalny will be a free port till the occupation of Manchuria is effective."[1]

2. Inhabitants

The country which was conquered in the sixteenth century by Yermak and his Cossacks was no uninhabited desert presenting an open field for Russian colonisation. Siberia was already occupied by a great number of tribes of Tartar, Finnish, and Mongolian origin, whose physical development was inferior to that

[1] Yadrinseff-Petri, "Sibirien," pp. 483-5, 308-9. C. Aulagnon, "La Sibérie économique," p. 57. H. Norman, "All the Russias," pp. 100, 101. *Board of Trade Journal,* June 6th, July 11th, 1901; February 27th, 1902; April 2nd, 30th, 1903. United States Consular Reports, May 1902, pp. 1-11; "Guide to the Great Siberian Railway," pp. 463, 485, 492, 494. *Revue des Deux Mondes,* July 1st, 1902, pp. 147-9. *Observer,* November 16th, 1902. *Petersburger Zeitung,* February 21st (March 6th), 1903. *Times,* March 17th, 1903.

of their Russian conquerors, and who belonged to a much lower plane of civilisation. They nevertheless possessed strong racial characteristics and the capacity for preserving their own national peculiarities uninfluenced by the presence in their midst of a higher civilisation. Immediately the Urals were passed the Russians encountered the Voguls; then followed the Siberian Tartars, while to the north were the Ostiaks, the Samoyedes, the Tunguses, and the Yakuts; in the south the newcomers were surrounded by Buriats, Kirghizes, and Kalmuks; and in the west by the Sarts and Usbegs of the Turkestan border. As the Russian settlers penetrated farther and farther eastwards, and were for three centuries cut off from all communication with their mother country, some degree of assimilation between them and the aborigines became inevitable. Intermarriage with natives influenced the race, and adoption of their customs and manner of living affected its standard of civilisation. It might have happened, as in America, that the aborigines died out before the onward march of a superior race, but the Russians were not sufficiently strong in numbers or in the superiority of their culture to make headway against the sturdy nomads of Siberia. The circumstances of the conquest were in favour of a mixture of races. The male sex preponderated among the settlers, and wives had to be acquired by capture or by purchase from the natives. Even when an alternative course was possible, the Russian settlers seem to have shown a preference for the dark-haired, bright-eyed, native women. A mixed race grew up, which, rejecting the name of Russians, called themselves either Siberians, or "a mixed race." They differ from the true Russian in the shortness of their stature, the darkness of their complexion, and the diminished fertility of the women. This new race has also to a great extent adopted the ways of living of the aborigines: Russian settlers among the Samoyedes have taken to the native diet of raw fish; in Trans-

Baikalia the Russian settlers have to a great extent become "Buriatised," as the Russians in Yakutsk have been "Yakutised." This is to be seen not only in physical changes from the Russian type—the dark colour of hair, eyes, and skin, and the Mongolian or Tartarian facial traits that characterise the old Russian population in Siberia—but also in their habits and ideas. Thus both here and in Yakutsk the old Russian settlers and their descendants have forgotten their mother tongue, and speak only the Buriat or Yakut language or some kind of mixed tongue. Of course, the Russians in their turn have influenced the aborigines. Some of these are nominally Christian—some Buriat children I saw myself sitting among the Russian children as a matter of course in the higher schools at Irkutsk—and Buriats boast of being Russian, as showing their superiority to the Chinese; but the mutual influence exerted by the contact of the races has been always most strongly marked on the side of the aborigines. Yadrinseff states that from his own personal observation he is inclined to think that the victory generally remains with the race which is numerically strongest. Thus the Russification of the aborigines has taken place only in those parts of Western Siberia where the Russians outnumber the natives.

The Siberian race differs widely in its mental and moral characteristics from the Russian; it belongs morally to a lower level, where polygamy is tolerated and the restraints of Western civilisation are hardly understood. The mental attitude of the Siberian is narrower, but more independent and self-confident than that of the Russian. The mystic and religious temperament of the latter has given way to a materialistic practical common sense, while sensitiveness to historical associations is replaced by self-assertion. The Siberian peasant has never known serfdom, or even the influence of a superior social class, and he consequently feels himself equal to all the world. He

has, it is true, the shy timidity of all aboriginal races, but it is more than counterbalanced by his curiosity and passion for everything that is new. Schtschapoff (quoted by Yadrinseff) says: "The Siberian people are characterised by their enthusiasm for all new things, especially in dress and furniture. Even in villages chignons, crinolines, frock-coats, watches, and watch-chains are to be found." Most important of all, from the standpoint of colonial development, is the fact that the social instinct, which in Russia subordinates the individual to the mass, is entirely lacking. The self-abnegation of the Russian has given place to a desire for individual advancement and to the preponderance of material over social interests. These characteristics, though they have their drawbacks and have already led to all the evils of monopoly and corruption, seem to constitute a most suitable equipment for a colonising race. The Siberian, in virtue of his adaptability, his independence, and individualism, might, if he were only energetic and industrious, be expected to go far in the future. He is in fact, however, the laziest of human beings. "His force of inertia is wonderful, and, when he has made up his mind to do nothing, neither arguments nor threats can set him in motion." Work is limited to what is strictly necessary, and a Siberian would always prefer to dispense with superfluities rather than have the trouble of caring for them. It is possible that this natural indolence may be overcome by education and by a better form of government, which will ensure to the labourers the fruits of their toil; but it is easy to understand why many travellers have despaired of Siberia as long as the Siberian peasant remains the chief means of its development.[1]

The principal aboriginal races have already been enumerated. The only ones that show no tendency to decrease are the Buriats and Yakuts. The Buriats,

[1] Yadrinseff, "Sibirien," chs. i. and ii.; P. Leroy-Beaulieu, "La Renovation de l'Asie," p. 30. J. Stadling, "Through Siberia," pp. 55-6.

whose number is about 290,000, and who are still increasing, form the chief population of Trans-Baikalia and the government of Irkutsk. During the eighteenth century they were converted to Buddhism by missionaries, who taught them to read and write. According to Mr. Stadling, illiterates are less common among them than among the peasants of European Russia. Their superior knowledge has been of advantage to them in enabling them to produce documents proving their right to the lands they hold. The Yakuts, who inhabit the Yakutsk territory, number about 230,000, and are still on the increase. The native inhabitants of Siberia constitute a problem of future as well as of past interest. The treatment of the native races has hitherto been cruel and barbarous in the extreme. They have been robbed of their lands, their furs, and their cattle, and have been reduced to a state of misery and famine which at times has led to cannibalism—a fact which has been officially proved among the Samoyedes and the Ostiaks on the lower Yenissei and the Dolgans and other natives in the Taimyr region. Natives, who become Russianised, are used to plunder other natives. "In former times the Anabar people were said to have been well off, having had large herds of reindeer and plenty of nets for catching fish. Now they have been reduced to poverty by the Yakut agents of the Russian merchants, who have made them only too well acquainted with *vodka*. They soon become indebted to these unscrupulous people, and in order to work off these debts are obliged to spend almost the whole of their time in fox-trapping and collecting mammoth tusks, and are thus unable to provide for their real wants." These people are absolutely ignorant of the value of their furs, and accept anything the agents are pleased to give them. In spite of the decrease of some races, their numbers are still considerable. The census of 1897 showed the total population of Siberia (exclusive of the Kirghiz steppes)

to be about 5,500,000, and of these 863,000 were aborigines or Asiatic immigrants. The proportion amounts to less than one-fifth of the whole population, but it is still too large to admit of becoming merged in it. An increase of foreign elements is also to be expected as a result of improved means of locomotion, and particularly of increased communication with China. Russian agricultural enterprise in the Amur territory is already threatened with Chinese competition. The Russian settlers, unable to compete in any way with these immigrants, go to work in the mines, and leave the cultivation of the land to the Chinese, and gardening is entirely given up to them. In spite of the cheapness of their labour, they manage to save, and it is estimated that not less than 300,000 roubles are annually carried back to China out of Harbaroffsk and its district alone. Moreover, the presence of Chinese in the Amur and Ussuri territories unfits these lands for Russian colonisation. The emigration returns for 1901 show that 15 per cent. of the emigrants return to Russia, and in 1902 the number must have been still greater, "in proportion as the Chinese drive the Russian settlers and colonists gradually backwards."

The one means of converting the aboriginal elements into a source of strength instead of danger has scarcely been yet tried. Hardly anything has been done to educate the native races, though many of them give evidence of considerable ability. Some effort has been made to attach them to the Orthodox Church, but the theft of children in order to baptise them was not a method calculated to recommend Christianity, and these baptised persons have practically remained heathens. The schools founded by missionaries have been distinguished by the one-sidedness of the education given; and the few pupils have learnt nothing but religion, usually finding their vocation as acolytes and mass-servers. Russian schools have, of course, been closed to the aborigines on account of the

difference of language, and it is still an undecided question whether the schools of the future are to teach in Russian or in the language of the native races.[1]

Transported persons under the Russian system are divided into two groups—those who are transported under the provisions of the criminal code, and those who are subjected to transportation as a measure of public security taken by administrative authority. The communes may refuse to readmit persons who have incurred a penalty depriving them of liberty, and they may also expel those of their members whom they consider dangerous to their well-being. These "administrative" exiles are sent to Siberia and are restricted as to change of residence, the exercise of a calling, etc., but they are not compelled to work. It is not my object here, however, to discuss the exile system as a penal policy, but simply to examine it as a means of colonisation. As such, the transportation of criminals to Siberia was long regarded by the Russian Government as a most satisfactory means of populating the country. The practice began in the sixteenth century, but no details with regard to the number of persons banished are available before the beginning of the nineteenth century. In 1807 the number of exiles was given as 2,035, and from that year till 1899 Siberia received from European Russia 864,549 exiles and members of their families —that is, nearly the sixth part of the actual population of Siberia. During the last twelve years the total number of transported persons has been 100,582, of whom 95,876 were men and 4,706 women. The families accompanying them consisted of 155 husbands, 17,556 wives, and 40,900 children. Siberia has thus received in the course of twelve years 159,191 individuals, or one-thirty-sixth of the total

[1] Yadrinseff, "Sibirien," chs. iii. and iv. Leroy-Beaulieu, "La Renovation de l'Asie," p. 21. "Guide to the Great Siberian Railway," pp. 43-5. Stadling, "Through Siberia," pp. 212, 220, 244.

population. Taking the number of transported persons only, exclusive of their families, Siberia has received for each 57 inhabitants either a criminal or a person regarded as more or less dangerous by the Home Government. Two conclusions may plainly be drawn from these figures: (1) that transportation does not lead to any natural increase of the population owing to the preponderance of unmarried persons ($88\frac{1}{3}$ per cent.). (2) The vicious element introduced into the country passes all reasonable proportion. These conclusions, which are urged with great force by Yadrinseff, are confirmed by further study of the conditions of the exiles. The rate of mortality amongst all ranks is extraordinary. The hardships of the journey, which was formerly made on foot, and is still most arduous even with the help of river transit and quite recently of the railway, kill all but the most robust.

The convicts may travel from Kazan to Tiumen either by rail or water. Having journeyed by steamer from Nijni-Novgorod to Perm, a distance of nearly a thousand miles, they go by rail over the Urals to Ekaterinburg and Tiumen. Here they remain two weeks or more in the Tiumen forwarding prison, and are then transported in barges *via* the rivers Irtysh and Obi to Tomsk, for distribution thence on foot to their various destinations.

The road travelled is called the *étape* road, from the fact that at intervals of from 25 to 40 miles there are exile station houses, where the prisoners rest, and where a military guard, kept there for the purpose, relieves the guard of the arriving party. Midway between the *étape* houses are *polu-étapes*, or halfway houses, so arranged with reference to the *étape* houses that a temporary place of rest and shelter is provided every night for the party on the march, which is also allowed twenty-four hours' rest every third day on its arrival at the *étape* house proper. The *étapes* and *polu-étapes* are alike inadequate for the

reception of the parties which are constantly crowded into them. They have been described by General Anuchin, the Governor-General of Eastern Siberia, in his report to the Tsar, as "particularly bad," as "tumble-down buildings in bad sanitary condition, cold in winter, saturated with miasma, and offering very little security against escapes." The clothes provided by the Government give no sufficient protection against inclemencies of weather. The boots of the prisoners, expected to last for six weeks, are of such poor quality, owing to official fraud, that they often become worthless in a couple of days, and the loser has to continue his march barefooted through "mud whose temperature is little above freezing point." Many of the convicts, drenched to the skin by rain, become sick, and linger for months in the *étape* hospitals without proper medical care. In 1888 seventy exiles died during a journey of twenty-one days between Tomsk and Achinsk.

Arrived in Siberia the majority have to find employment as best they can, but the rate of wages is extremely low. Official reports mention 70 roubles a year for good workmen, while old and feeble men receive as little as 30 roubles. The difficulty of earning a living honestly forces numbers into vagabondage. A deported person is theoretically assigned to a certain locality and is unable to leave it. Supervision, however, is very slight and easily eluded; an exile therefore, who wishes to escape, may do so at any time, if he can first murder a Siberian peasant and possess himself of his clothes and passport. It is estimated that a third of the whole number of exiles escape all control. "The place of their residence is unknown to the police. They steal on the highways and in villages; they beg and extort money in every possible way. In summer they conceal themselves in the forests; in the winter they move towards the cities and use every method to secure a lodgment in the local prisons." Another third are equally in a

state of vagabondage, but they change their residence to find work.

The Governor of Tomsk reported in 1873 that the total number of exiles in his government was 50,000. "The majority of these people have lost the habit of work, they are not located in the place to which they were assigned, and generally they lead a vagabond life. The only ones who acquire a settled habitation are those who come here with their families and bring with them the means of providing a home." Under such circumstances it is not wonderful that crime is rife in Siberia, and that a very large proportion of it can be traced to the exiles. Yadrinseff, quoting what were in 1886 the latest reports, states that in the government of Tobolsk 1,749 crimes were committed yearly, or one to every 28 exiles. These crimes were classified as follows:—Theft, 56 per cent.; murder, 7 per cent.; robbery, 3 per cent.; assault, 3 per cent.; forging of bank-notes, 2 per cent.; vagabondage, 14 per cent.; and it was noticed that the districts to which exiles were assigned contributed five times as many criminals to the prisons as the non-exile localities. The most recent accounts show that a similar condition of things still prevails. Mr. Fraser writes of Irkutsk: "There is on an average one murder a week in the town. . . . Robberies with violence are common. Burglary is prevalent. . . . It is dangerous to leave the main street after dark without a revolver." But the actual crimes committed by exiles have been less fatal to Siberia than the influence of their bad example, which has lowered the whole level of public morals. "The exiles, for instance, have created a passion among the Siberian peasantry for the forging of bank-notes, and the opening of packages of tea in transit is systematically carried on. . . . No wonder, then, that trade is little developed, and that certain districts are dangerous to merchants." The criminality of Siberia has of course been affected only by those exiles who had committed

criminal offences. A large proportion are banished for political or administrative reasons, and include some of the most liberal and enlightened of the inhabitants of Russia. The influence of this class of exiles on the country has been wholly beneficial, although their activities, whether scientific or literary, have been rendered almost nugatory by the conditions of their exile. The system has come to be regarded by all who have studied it as a complete failure. It fails as a means of colonisation, and it fails equally as a disciplinary system, for the criminals become worse instead of better. The Siberians themselves are fully aware of this, and have for years petitioned against it as being a menace to the safety and development of their country.

The expense attendant upon the alternative prison system long deterred the Russian Government from putting an end to the evils of transportation. A Commission was, however, appointed in 1898 by the present Tsar to examine the question, and a tour of inspection was made throughout the prisons and exile colonies of Siberia and Saghalien. The alleged evils were all found to exist, and the Commission in its report fully acknowledged the demoralising tendency of the system. As an outcome of this Commission a law was drafted which introduces an essential reform in the penal system of Russia. This law, promulgated by edict of the Tsar, dated June 12th (25th), 1900, abolishes banishment for criminal offences. Transportation will thus be confined to political and religious offenders, and to vagabonds not identified. The average of these is 430 a year. Ordinary criminals will in future be imprisoned instead of transported, and the extra cost of providing prison accommodation is estimated at £85,000 per annum.

Doubts are now sometimes expressed in Russia itself as to the wisdom of sending political exiles to remote governments in European and Asiatic Russia. These views are more often heard in Siberia, where the *esprit frondeur* is more common, from the fact

that, apart from the military and official element, society is largely composed of exiles and descendants of exiles. But the ablest and most loyal of the officials are now loud in their condemnation of the system. A high legal dignitary whom I met in Siberia told me that he had recently reported strongly to St. Petersburg in favour of the ordinary legal methods, and against special trials and special punishments for political offenders, on the ground (1) that the regular law and procedure were adequate; (2) that special laws and special punishments made martyrs of criminals; (3) that the exile system spread the doctrines of revolutionaries into corners of the empire to which they would never otherwise have penetrated; (4) that railways, ports, and telegraphs have taken away largely from the terrors of distance, and that the common prison at home was a far stronger deterrent than comparative freedom in some remote country town.[1]

Neither Asiatic aborigines nor Russian exiles have, as we have seen, contributed any important share to the present population of Siberia. The great majority of the inhabitants are free colonists, and the stream of emigration still continues to flow eastward with ever-increasing volume. The beginnings of the movement first became evident in the closing years of the sixteenth century, when numbers of Russian peasants made their way across the Urals to escape the serfdom which was their lot in their own country. The first Siberian census, taken in 1622, showed that the country possessed 70,000 inhabitants, of whom only 7,000 were exiles. The oppression of serfdom, the harsh measures of the Government against religious sectarians, and the desire to escape military service afforded the chief reasons for emigration during the succeeding centuries. Side by side with this free emigration emanating from the

[1] Yadrinseff, "Sibirien," ch. vi. P. Leroy-Beaulieu, "L'Empire des Tsars et des Russes," tome ii., ch. viii. H. Norman, "All the Russias," p. 163. "Guide to the Great Siberian Railway," p. 51. J. F. Fraser, "The Real Siberia," p. 101. *Daily Mail*, January 5th, 1899. *Observer*, January 6th, 1901. E. Noble, "Russia and the Russians," pp. 209-10.

people, administrative emigration has also been carried on. Whole families with all their property have been moved, and lands have been assigned to them to settle; large numbers of military and civil officials for the service of the roads and post-stations, the mines and forts, have been sent to Siberia, and free emigration has been discouraged and hampered by the requisition of passports. Free emigrants have, nevertheless, always managed to elude official watchfulness, and have been of far greater importance and benefit to the country than the State-aided settlers. "The foundations of Siberian colonisation," according to Yadrinseff, "were laid by its agricultural population, who covered the land with villages, and without whose aid and support the Government system would have vanished away." During the first half of the nineteenth century the desire among the Russian serfs to reach the freedom of Siberia was so great, that many of them placed themselves voluntarily within the grasp of the law (in Russia) in order to be transported. Trustworthy records state that the number of emigrants to the government of Tomsk reached 18,340 persons during the eleven years 1852-63. After the emancipation of the serfs in 1861, the number of emigrants went on increasing, owing to the fact that there were from the first a large number of landless serfs, such as those of the household; to the inability of the land, under an extensive system of culture, to bear the natural growth of the population; to the subdivision of peasant allotments; and to the lack in the agricultural districts of subsidiary manufacturing industries. During the twenty years from 1860-80 about 110,000 people emigrated to Siberia, while for the twelve years from 1880-92 there were over 440,000.

At first this drain of the population eastwards created alarm in the minds of the governing classes, the Treasury fearing a loss of revenue consequent upon the flight of so many taxpayers, and the landlords a diminution in the supply of labour which would enable the peasants, who remained behind, to demand higher

wages. A repressive policy was, therefore, followed for a time, until the construction of the Siberian Railway impressed upon the Government the urgent need for a larger population in Siberia. Then repression gave way to regulation. In 1893 the Siberian Railway Committee for the promotion of emigration was appointed on the advice of M. de Witte. A Government publication states: "The overwhelming character which emigration assumed in the second half of the nineteenth century induced the Government to turn its attention seriously to the regulation of this important phenomenon in national life. In 1885 a special corps of land surveyors and land agents was first formed in Siberia, for the purpose of organising emigrants' allotments, and in 1889 a general law was passed for the regulation of emigration to Siberia and settlement on land belonging to Government. Persons emigrating to Siberia with the sanction of the Government have 15 dessiatins (40½ acres) of land per male emigrant allotted to them for perpetual use, and are exempt from taxation for the first three years. During the three years following the taxes are levied at a reduced rate, and the emigrants can have their term of conscription postponed for the same period." During the three years 1898-1901, the Government spent 653,000 roubles a year, simply on the distribution of land to emigrants; from 1885-92 the lands thus allotted reached an area of 722,000 dessiatins (1,949,400 acres), and from 1893-9 they amounted to 6,479,000 dessiatins (17,493,300 acres). In spite of all the privileges accorded to the sanctioned emigrant, unauthorised emigration still goes on. A delegate or "pioneer emigrant" is sent by a village community to report on emigration prospects in Siberia, and by his attractive stories he persuades his fellow-villagers on his return to set out for Siberia *en masse*. The difficulties of the journey and the hardships they encounter on their arrival not seldom cause them to return to their native village, having risked and lost everything in the venture. This unauthorised emigration

was especially marked in the years 1898-1900, when it averaged between 53,000 and 54,000 persons. Such emigrants generally travel in families, not in large groups. In some cases these unauthorised emigrants have settled without right on Imperial property, and in such numbers as to render eviction on the part of the Government practically impossible. A case of this kind occurred at a place on the Obi-Krasnoyarsk section of the Siberian Railway. A small peasant settlement with 104 inhabitants had been provided with land from the Imperial domains there. In 1893, when the future commercial importance of the Obi station became apparent, peasants long settled in the Tobolsk, Tomsk, and Yenisseisk governments, and a great number of fresh emigrants from European Russia, flocked to this point and seized upon more of the Imperial lands, from which it was found impossible to oust them. Since the Government could not remove the whole body of the settlers, the Administration of the Imperial lands allotted a piece of land watered by the small stream Kamenka, a tributary of the Obi, for permanent settlement by the emigrants. It is now called Novo-Nikolaieffsk, and contains a population of 15,000. More than half the building sites allotted have been taken up, numerous shops have sprung up, and the settlement serves as a market for the rural district surrounding it, agricultural produce being brought in from a distance of 200 or 300 versts (132 or 198 miles).

Official statistics for 1901 show that the number of emigrants returning to Russia is still reaching serious proportions.

The dimensions of the movement of population to and from Siberia in 1901 were stated by *The Commercial and Industrial Gazette*, the organ of the Minister of Finance, to be as follows :—

To Siberia from Russia :—		
Emigrants	94,639	persons.
Pioneer emigrants	24,529	,,
Peasants going to earn money . . .	8,963	,,
Total . . .	128,131	

The number of emigrants from each government is stated, and it is noticeable that the list is headed by Poltava, where the recent (1902) disturbances took place. The other governments which contribute largely to the movement are all in a direct line between Riga and the Black Sea and contain good agricultural land, most of them being in the Black Mould zone. The places from which emigration was weakest were industrial districts, such as Yaroslaff, Moscow, St. Petersburg, and Novgorod; while from Olonetz there were none at all.

DESTINATION OF EMIGRANTS IN SIBERIA.

Government.	Total.	Emigrants.	Pioneers.	Peasants to earn money.
Tomsk	39,610	31,748	6,707	1,155
Yenisseisk . . .	19,817	15,276	4,228	313
Amur and Primorsk .	15,968	13,513	1,810	645
Akmolinsk . . .	11,189	8,628	2,079	482
Irkutsk	10,466	3,994	3,005	3,467
Tobolsk . . .	7,925	6,200	1,472	253
	104,975	79,359	19,301	6,315

RETURN MOVEMENT (Total 44,757, according to Governments).

Government.	Total.	Emigrants.	Pioneers.	Peasants who went to earn money.
Tomsk	22,129	16,018	4,590	1,521
Akmolinsk . . .	6,323	4,536	940	847
Yenisseisk . . .	5,475	2,655	2,647	173
Tobolsk . . .	2,450	950	1,228	272
Turgai	3,766	1,228	2,485	58
Amur and Primorsk .	2,379	1,572	578	220
Irkutsk	2,235	450	684	1,101
	44,757	27,404	13,161	4,192

TOTAL FROM THE WHOLE OF SIBERIA.

Emigrants.	Pioneers.	Peasants who went to earn money.	Total.
31,330	18,019	5,884	55,233

Out of 18,019 pioneers, no less than 13,647 returned without positive results.

A variety of reasons have been assigned for this return movement, some of which are temporary and accidental, while others would seem to be permanent and valid. In 1901 the failure of the harvest in many of the districts to which emigrants were sent was given as an explanation. The increase of Chinese immigration[1] into Trans-Baikalia, to which allusion has before been made, is an undoubted hindrance to Russian colonisation, while another reason may be found in the fact that the most easily cultivated lands are already allocated, and only marshy and forest lands remain, which present little attraction to the peasants of the southern governments from whom the majority of the emigrants are drawn. Lastly there is the character and habits of the Russian immigrant himself: "First of all, he won't live on a farm three, five, or ten miles from anybody else. He insists on living in a village or town, though his farm may be thirty miles away. He tills a stretch of ground and sows wheat, but he never thinks of reaping till it is dead ripe, then he reaps with a hand sickle, and half the foodstuff rots in the rains. When he has used up one piece of ground he moves to another. He doesn't understand manuring. He doesn't look forward to the next year." The most formidable obstacle to the expansion of Siberia is the character of the immigrant. The Russian Government is doing what it can to disseminate trustworthy information about the country (in 1896 400,000 copies of a pamphlet entitled "Siberian Immigration" were distributed by order of State Secretary Koulomzine) in order to prevent hasty and ill-advised emigration, but the enormous growth of population in Russia, as well as the needs of Siberia, make some outlet absolutely indispensable. In 1883 the

[1] The Russian press is now demanding that Chinese immigration into the Amur territory shall be prohibited by law.

Government undertook the emigration of colonists to the South Ussuri region, where the climate is less rigorous than in other parts of Siberia. These emigrants were transported in the vessels of the Volunteer Fleet, and between 1883 and 1892 their number reached 17,000. Special privileges were granted to them—viz., 100 dessiatins (270 acres) of land per family, and exemption from taxes and conscription for twenty years. The Siberian Railway Committee has also taken a series of measures for facilitating both the actual journey to Siberia and the settlement in the new country. A special reduced emigrant fare (25 per cent. of the ordinary third-class fare) has been granted, sanitary inspection of emigrants has been established on trains and steamers, and medical aid and provisions can be obtained at the various emigrant stations along the line. In 1900 the number of these emigrant stations amounted to thirty; the most important is Cheliabinsk, where all emigrants have to stay for the examination of their passports, a ceremony which takes much time and infinite trouble. I went over the station at Irkutsk, where the accommodation includes a hospital and medical attendance and seemed, all things considered, to be satisfactory, but I believe it to be at times overcrowded.

In considering the apportionment of Siberia, the corps of land surveyors appointed by the Ministry of Agriculture turned their attention first of all to the land adjacent to the railway line, as in the interests of the railway it was intended to colonise principally the thinly peopled country along the road between the Urals and Lake Baikal. For this purpose the Ishim Steppe, in which there was a great scarcity of surface water, was irrigated and the marshy Baraba Steppe was drained. This work involved the digging of over 1,000 wells and the construction of 435 miles of drains. On exhausting the suitable land in the immediate vicinity of the railway, colonisation was

extended to the *taiga* region in the north and to the southern steppes. Here the survey showed that the Kirghiz tribes had a surplus of 10,000,000 dessiatins (27,000,000 acres), quite suitable for agriculture. Between 1893 and 1899 some 7,000,000 dessiatins (18,900,000 acres) of free Government land were turned into lots for emigrants, chiefly in the Tobolsk and Tomsk provinces and the Akmolinsk Territory, of which some 5,000,000 dessiatins have been already allotted. Since the appointment of the Railway Committee the number of emigrants to Siberia has been as follows:—

	Persons.
1893	65,000
1894	76,000
1895	109,000
1896	203,000
1897	87,000
1898	206,000
1899	225,000
1900	219,000
1901	128,000
Total	1,318,000

Besides this, during the same period the vessels of the Volunteer Fleet have carried to the Ussuri region 25,000 emigrants, or half as many again as during the preceding decade. Thus, during the nine years of the activity of the Committee 1,343,000 persons have emigrated to Siberia, making an average of nearly 150,000 persons a year. The culminating point, it will be seen, was reached in 1899. "The principal result of the work done by the Siberian Railway Committee," as stated by the pamphlet edited by the Chancery of the Committee of Ministers, "has been the development of a more conscious attitude towards emigration amongst the peasants of European Russia, which has shown itself

first, in the considerable decrease in the percentage of independent emigrants, of return emigration and of mortality on the way (the latter has decreased to ·14 per cent. in 1900), and secondly in the spreading of improved agricultural implements. . . . The statistical data of Siberian settlements invariably bear witness to the fact that the emigrants . . . under normal conditions settle down more comfortably than at home, and that a gradual increase of prosperity is noticeable." The extent to which the colonisation of Siberia has already been carried out and the manner in which the work has been done show that the Russian people are by no means devoid of the instinct of colonisation. In 300 years a vast country, presenting every difficulty which a severe climate, pathless forests, and the presence of unfriendly natives could offer, has been permeated from end to end by Russian peasants, acting, until lately, almost entirely on their own initiative and without funds or support from Government.

The ground covered and the difficulties vanquished have been immense, and yet the work is still only in its infancy. Siberia has still a population of only one person per square mile, it has hardly any manufactures, its natural resources are plundered not cultivated, its educational system has yet to be created. Education is indeed its most pressing need, for the colonists of the future will not be able to support themselves with the degree of ease that was formerly possible. The land that now remains to be taken will have to be cleared, drained, irrigated, and cultivated, in an economical and scientific manner; the Russian peasant will be obliged to accustom himself to new methods and a more intensive system of cultivation if he is to succeed in Siberia. But if the immigrants can bring the necessary energy and pains to the task, there is no reason why Siberia should not support a population a hundred-fold greater than at present. Yadrinseff calculated that if Siberia, in the Black Mould zone alone, were as densely populated as the corresponding

part of Russia, it could support a population of 50,000,000 souls.[1]

3. Agriculture

The aboriginal inhabitants of Siberia were for the most part of nomadic habits and preferred hunting, fishing, and cattle rearing, to a systematic culture of the soil. The development of the agricultural resources of the country has therefore been almost entirely left to Russian settlers. Small numbers of these immigrants, as we have seen, made their homes in Siberia during the past three centuries, and now, with the approval and help of the Government, colonisation is going rapidly forward. The districts to which immigration is directed are previously surveyed by Government land agents, and immigrants are despatched to those regions which most resemble the district of European Russia from which they have come. The settlers, who were agriculturists at home, have generally remained faithful to their original vocation, so that Siberia ought to become one of the foremost agricultural countries of the world. The system of land tenure is in many respects peculiarly suited to a country which annually receives a great contingent of fresh agricultural inhabitants, being based on the principle that all land—steppes, mountains, forests, and fruitful fields—belongs to the State, and that only the usufruct of land can be granted to individuals. The sole exceptions to this rule are the personal domains of the Tsar, certain lands assigned to Cossack communes, and estates given to Cossack officers, chiefly in the Amur territory and the Kirghiz steppes, as a reward for services done to the State. The advantage to the immigrant is obvious, as it enables him to acquire gratuitously a holding

[1] Yadrinseff, "Sibirien," ch. v. J. Legras, "En Sibérie," pp. 5, 83, 221. "The Great Siberian Railway," pp. 5, 11-14, 265-6. J. F. Fraser, "The Real Siberia," p. 49. M. Kovalefsky, "Le Régime économique de la Russie," chap. vii. "Foreign Office Reports," Miscellaneous Series, No. 585, p. 7.

sufficient to supply his wants. The quantity of land now allotted is about thirty-seven acres to each male immigrant, so that a family may hold 150 acres or more. In Western Siberia, where colonisation took place in a more spontaneous and less regulated way, each male settler has about forty-five acres.

The form of tenure, under which a Siberian holds his land, varies according to the manner in which it came into his possession. He may hold it by right of immemorial possession, as in the case of the aborigines, or by right of being the first occupant, or cultivator, as is the case with the old free immigrants; but in neither case has the occupier any absolute rights over the soil, and can neither sell nor mortgage it. In Western Siberia, where the population is comparatively dense and little land remains to be disposed of, the system of tenure resembles that of the Russian village commune. The land belongs to the community, either a village or group of villages (*volost*), and is periodically redistributed amongst its members. In Central Siberia land is so plentiful that redistribution is not necessary, and the holder of any piece of land is considered as its rightful owner as long as he continues to cultivate it. In Eastern Siberia there is still much unoccupied land, and here individuals have established a kind of private property by enclosing the portion they propose to cultivate; such farms are called *zaïmki*.

In systems of cultivation, no less than in land tenure, Siberia presents a contrast to Russia. In general it knows neither the three-field system, nor the fallow system of the steppes, nor the practice of burning the forests prevalent in the far north. In Western Siberia the custom most usually followed is this: a piece of soil is first cleared, then for two or three successive years it is sown with cereals, and then left fallow for a year; this alternation of two or three years' sowing with one of fallow is carried on until the crops become sensibly diminished. The land is then abandoned while the cultivator clears another space, nor does he return

to his first field until it gives signs of renewed fertility. Such a practice of course is only possible where the area of land occupied by each family is considerable, but we have seen that a family may hold as much as 150 or 175 acres, according to the number of men (or boys) it comprises. In some cases the extent of land belonging to a commune is so great that any individual may enlarge his share of the common domain without trespassing on the rights of others, and, so long as he cultivates the ground he has claimed, his rights are respected by his neighbours. Manuring or other improvement of the soil is almost unknown, and when a village has exhausted the land on which it is located, it not infrequently migrates *en masse* to another spot. The Siberian peasant, who has escaped the enervating influence of serfdom, and has grown to manhood in a constant struggle with the rigorous forces of nature, is more intelligent and capable of adapting himself to new conditions than his Russian *confrère*. Siberia nevertheless does not escape the evils inseparable from all systems of peasant proprietorship, and, with the advent of the railway, the want of large properties, where experiments can be carried out and machinery used to advantage, is likely to be felt more and more.[1]

The total extent of land at all suited to agriculture is very considerable, embracing as it does a zone sometimes 300 miles in breadth, stretching from the Urals to the Pacific. But within this zone the conditions of soil and climate are by no means uniformly good. The most favoured district is the central portion of Western Siberia, where the vast plains are interspersed with the forests necessary to attract a sufficient rainfall and the soil is enriched with vegetable débris. The first important agricultural district is the Steppe of Ishim, extending from the Urals to Omsk, bounded on the south by the railway, and including the towns of Kurgan, Ishim, Cheliabinsk,

[1] M. P. Semenov, "La Russie extra-Européenne et Polaire," pp. 20-21. C. Aulagnon, "La Sibérie économique," pp. 66-71, 75

and Tara. The Baraba Steppe, which comes next in order eastwards, is as yet little cultivated. To the south of the Baraba Steppe is the Altai district, so fertile that it has been called the "Granary of Siberia"; and to the north lies the district of Tomsk and Mariinsk, less extensive and less rich, but still capable of considerable development. The total area under cultivation in Western Siberia is 12,150,000 acres, and the average yield of cereals is 120,000,000 bushels. Wheat is the principal crop, and forms 42 per cent. of the whole, oats come next (35 per cent.), then rye (15 per cent.), and finally barley (over 5 per cent.), with some potatoes and tobacco. The flax of Western Siberia yields 17,500,000 lb. of linseed, and nearly 20,000,000 lb. of fibre. In part of the Ishim district the fallow land system is being replaced by the manuring of the fields, and improved machinery is being introduced, iron ploughs are taking the place of the old wooden three-horse plough, and threshing and winnowing machines are now frequently to be met with. Throughout the whole region the agriculturist has to struggle against the obstacles offered by a climate which passes rapidly from one extreme of temperature to another. Snow sometimes falls in June or August, and the night frosts, due to the extreme clearness of the air which permits rapid radiation of heat, prevent the corn from ripening.

In spite of all drawbacks, however, the yield of cereals in Western Siberia is large enough to give a surplus over what is required for local consumption of about 1,000,000 poods (16,000 tons), part of which, since the opening of the railway, has been disposed of in Trans-Baikalia, while part has been exported. Experience has shown that Siberian grain can only find a market abroad during the prevalence of high prices, owing to the heavy expenses incurred for freight charges. The opening of the Perm-Kotlas branch of the Siberian Railway has greatly helped to diminish this excessive cost. "Through Perm, on the one

side, in direct railway communication with Tiumen and the Great Siberian line, and through Kotlas on the Northern Dvina, on the other, in direct river communication with Archangel, this Perm-Kotlas route brings the richest grain-growing provinces to the very waters of the Northern Dvina." Calculations show that the carriage of grain from Cheliabinsk, Kurgan, Omsk, and Obi, by the Kotlas-Archangel route, is from 4 to 14½ kopeks cheaper per pood than by the St. Petersburg route. "The branch was opened in 1898, and in 1899 it brought to Kotlas for export 188,000 poods (3,020 tons) of Siberian wheat, and in 1900, being still short of rolling stock, it carried 2,076,366 poods (33,370 tons), valued at 1,994,642 roubles (£212,196), which were conveyed by means of tugs and lighters down the Dvina to Archangel, and thence shipped abroad, about one-half being destined for the United Kingdom." The Perm-Kotlas branch has opened up another large oat-growing district, and hence this branch of export is much enhanced in importance. The export of oats from Archangel in 1900 was treble the amount of the preceding year.

In Central Siberia the area of cultivable land is much less extensive (120,000 square miles), while the climate is at the same time more severe. It is better adapted to the hardier cereals, such as rye, than to wheat. The district of Minussinsk forms an exception, the soil being "black mould" and remarkably fertile. The area under cultivation in 1900 was given as 3,125 square miles, producing 30,000,000 bushels of corn and 3,000,000 bushels of potatoes. Of this produce 58 per cent. was consumed locally, and the rest exported. This surplus production is quite recent in origin, and is probably due to the impetus given to agriculture by the railway. Central Siberia formerly produced barely enough for its own wants. Spring rye constitutes about one-quarter of the harvest, the other cereals grown being spring wheat, oats, and buckwheat. Tobacco of a poor quality is

grown in the government of Irkutsk. In the province of Yakutsk agriculture is confined to scattered spots in the neighbourhood of towns and Russian villages, the Yakuts, who form 90 per cent. of the population, not being, as a rule, sufficiently settled in their habits to become agriculturists. The increase in the area of land under cultivation during the last ten years has been chiefly due to the industry of the *Skoptsi* who have been exiled thither. In Trans-Baikalia the fallow land system prevails. There is no improved agricultural machinery, and the land is mostly tilled with the help of two-wheeled ploughs and harrows of very primitive construction. The area capable of cultivation is estimated at 3,750,000 acres, but only 750,000 acres are at present sown. The average yield (wheat and rye) per acre is estimated at 87 bushels (1,000 kilos per hectare), whilst in good years as many as 174 bushels per acre (2,000 kilos per hectare) may be obtained, and the quality is good. Trans-Baikalia therefore compares favourably with the best corn regions of South-eastern Russia, such as Samara. The corn grown did not formerly suffice for the wants of the local population, but now there is a small surplus, which is either employed in the manufacture of alcohol or sent to the gold mines of the Yakutsk province.

About one-third of the Amur territory, or 32,400,000 acres, is reckoned as fitted by climate for settled colonisation. If, however, it is considered that, in order to secure the future prosperity of the country, at least half of the wooded area must be preserved by a forestry law, only 16,200,000 acres are left for agricultural purposes. At present the area under cultivation amounts to 162,000 acres, and the average harvest to 2,800,000 poods (45,000 tons). The chief crops are oats (37 per cent.), spring wheat (33 per cent.), and spring rye (12 per cent.); the remaining crops are potatoes, buckwheat, maize, and millet. The system of cultivation pursued by the Russian settlers is wasteful in the extreme, nothing being done to

repair or rest the soil, and though agricultural machinery is in demand, it only serves to extend the old wasteful exploitation of the land. The husbandry of the Koreans and Manchurians, on the other hand, is characterised by great intensiveness. Their fields are ploughed several times during the summer, and, besides cereals, vegetables of all kinds are cultivated. The conditions of agriculture in the Ussuri territory are much the same as in the Amur province. The quality of the corn raised is not good, but leguminous plants and millet thrive well. The oases of the Kirghiz steppes are well adapted to agriculture, and are in great favour with settlers. The whole region has, however, been so recently colonised that its cultivation is still at a primitive stage. As for the Kirghiz inhabitants, they seldom devote themselves entirely to agriculture, though crops to the amount of 143,000 lb. are harvested by them every year. The area under cultivation is 378,000 acres, and the harvest averages 9,000,000 poods (144,642 tons). Wheat forms 70 per cent. of the entire crop, oats 20 per cent.; the rest is made up of potatoes, barley, and rye. Garden produce, especially melons and cucumbers, is grown by the women of the Cossack families, who also raise tobacco of an inferior quality. The area of land under garden cultivation is 3,750 acres. Irrigation is an indispensable preliminary of cultivation, especially in the Semipalatinsk territory. The Government has incurred great expense in sinking wells, but of course it remains for the inhabitants to keep them in order.[1]

The vast extent of Siberia and the ease with which fodder can be obtained has made cattle rearing general all over the country, and particularly in the steppe regions. Horses are bred in large numbers. In England it is estimated that there are only five

[1] M. P. Semenov, "La Russie extra-Européenne et Polaire," pp. 19-21, 42, 68, 78, 104. C. Aulagnon, "La Sibérie économique," ch. iii. "Guide to the Great Siberian Railway," pp. 160, 171, 356, 435. "Foreign Office Reports," 1901, No. 2708, p. 40. *Board of Trade Journal*, January 25th, 1900, pp. 195-7.

horses to each hundred of the population; in European Russia there are twenty-two, and in Siberia seventy, or three horses to each adult man. The quality of the breed has been of secondary importance, numbers being the primary consideration. Siberian horses are therefore neither large nor fit for heavy draught purposes, but are extraordinarily hardy, capable of resisting cold and fatigue, and thrive on the scantiest food. They are said to make excellent light cavalry horses, and the Russian remount department is now buying horses from the Kirghiz for this purpose and paying attention to the improvement of the breed. The average price of a horse for farm work is from £2 to £4. Oxen are found in even larger numbers than horses, but, except in the south of the government of Tobolsk, where they are systematically fattened, Siberian cattle are small, and the cows give very little milk. Stall-feeding is unknown, and even in the depth of winter the animals are left out of doors to graze as best they can. In Western Siberia cattle rearing is subservient to agriculture, but in the southern steppe districts each family on the average owns five horses, three cows, and about twelve sheep.

During the last seven years a large trade in butter has suddenly sprung into existence. "Seven years ago there was not a dairyman in Siberia; now there are about a hundred. Five years ago there were only two butter merchants; now there are ten Danish, many Russian, and some German. In 1895, 9,600,000 lb. of butter were exported from all Siberia; now two Danish firms alone receive and forward over 10,000,000 lb. yearly, while the total quantity carried by the railway was 72,000,000 lb. It is hard to say how many Laval separators are sold in Siberia every year, but they are probably to be counted in thousands" (local newspaper, quoted in *Board of Trade Journal*, August 28th, 1902). The industry was started by a Dane, who accidentally saw Siberian butter and was struck with its quality. "From Kurgan, where the Danes began to buy butter, they pushed on to Omsk, thence to

Kaiinsk, and further east to Barnaoul and Minussinsk, and at the present moment they rule a butter kingdom of about 160,000 square miles, or an area about equal to that of Germany." The trade is at present largely in the hands of foreigners, although the Russian Government, by sending out instructors and organising *artels*, has done its best to secure a share. Since July 1902 Government loans not exceeding 3,000 roubles have been obtainable by co-operative butter-making societies in Western Siberia for the purpose of building factories and cold-storage rooms. Among the foreigners are some English merchants, who have been doing well. Oddly enough, the first English business man I saw after leaving Port Arthur on my way to Moscow was at Kurgan. From what I heard there are certainly good openings for British trade. The pasturage is so good that there is 7 per cent. of butter fat in the milk; but the butter made by the peasants is all turned by hand in the most primitive fashion, and suffers from the want of cleanliness characteristic of Siberian farms. Until, therefore, the peasants learn to use machinery and to imitate Danish cleanliness, the trade which might be theirs is likely to remain in the hands of foreign capitalists.

Nearly the whole produce of Siberian dairies is exported, more than half going to Copenhagen. It does not, however, stay there longer than is necessary for the acquisition of a Danish label; it is then re-exported as "Danish butter" to Hamburg and London. However, since the establishment of communication *via* Riga, Siberian butter reaches the London market direct, and not only under Danish marks or *via* Denmark. The opening of the railway has contributed greatly to the development of the trade. Since 1901 five special trains with twenty-four refrigerator waggons have been run weekly. The journey to the Baltic ports takes from ten to fifteen days, and the voyage to London or Hamburg averages four to five days. In 1900 the quantity exported reached 1,100,000 poods (17,678 tons),

which, at an average price of 10 roubles per pood, represents an annual value of 11,000,000 roubles, and there is every reason to think that this output might be largely augmented. By 1902 Siberian butter had been successfully placed in the markets of the Far East. Dalny and Port Arthur were both supplied by Siberia, and considerable quantities were shipped to China and Japan. The steppes of Western Siberia and the valleys of the Altai region could support a much greater number of cattle than at present, and the necessary labour is being rapidly provided by the increase in immigration. A large supply and consequently a low price can be depended on, but the quality is not yet high enough to enable Siberian butter to compete with the best products of Danish and French dairies. When, however, time and experience have taught the Siberian peasant the necessity of scrupulous cleanliness, and the prejudice against mechanical appliances breaks down, "Siberian butter will form one of the most important products of the country, and will also contribute no small part to the food supply of Europe." The following table shows how rapidly this industry has advanced during the last few years:—

Year.	Number of establishments.	Production for export.	Quantity.
		Poods.	lb.
1898	140	150,000	5,416,800
1899	334	300,000	10,833,600
1900	1,107	1,100,000	39,723,200
1901	1,800	1,860,000	67,168,320
1902	2,500 [1]	2,500,000 [2]	90,280,000

In Central Siberia cattle rearing is extremely important to the inhabitants as a means of livelihood, but it yields no surplus for exportation. As regards live stock, the first place in the Russian Empire is taken

[1] Unofficial sources place them at less than 2,000. It probably depends on the term used, buttery, creamery, dairy, etc., some of which hardly merit the designation.

[2] Estimated.

by Trans-Baikalia, which has 100 horses and 200 oxen per 100 inhabitants, and 250 sheep and other animals per 100 of the population. In the Amur and Ussuri districts the extent of land suitable for grazing is small, and the cattle reared hardly suffice for the wants of the inhabitants. Pigs are the only animals kept in large numbers, every peasant possessing two or three. In the Kirghiz steppes the number of oxen per 100 of the native inhabitants is only 60; but in the total number of animals per 100 inhabitants (440), the Kirghiz steppes far exceed all other regions of Siberia. This total comprises 125 horses, 26 camels, and 229 sheep, belonging almost exclusively to the Kirghiz nomads. These herds supply them with every necessary of life, giving flesh, milk, cheese, skins for clothing and household utensils, and felt covering for their huts (*yurtas*). The importance of their stock to the Kirghiz is expressed in the customary greeting, which means, "Are the cattle thriving?" Their sheep, though yielding an abundance of coarse wool, are chiefly prized for the fat of the tail, which grows in summer to an enormous size and yields from 20 lb. to 30 lb. The Kirghiz horse is remarkably hardy and swift. "As a rule the Kirghiz ride a distance of 100 to 150 versts on the same horse in from ten to twelve hours, with only short rests. According to the data of the Omsk Amateur Racing Society a Kirghiz horse, for the distance of 20 versts, runs at the rate of a verst ($\frac{2}{3}$ mile) in one and a half minutes." In 1897 the total number of cattle in the steppe region was as follows:—

	Akmolinsk.	Semipalatinsk.
Horses	858,673	800,048
Cattle	574,126	450,000
Camels	91,769	90,000
Sheep	1,794,014	1,709,404
Goats	72,810	49,600
Swine	10,742	—
Total	3,402,134	3,099,052

The influence of the railway has already made itself felt in the cattle-rearing districts, and a change of methods is beginning, which in time may raise this industry to an important branch of the export trade. At present Russia offers the only market for Siberian meat. In 1898 the quantity carried by the railway was 982,419 poods (15,779 tons), rising in 1899 to 1,770,821 poods (28,459 tons). The melting of tallow is carried on in the government of Tobolsk, and the product sent to European Russia; in 1899 the quantity exported reached nearly 500,000 poods (8,000 tons).[1]

Siberia is covered with forests, the marshy plains of the north, the agricultural regions of the west, and the Kirghiz steppes forming the only exceptions. South of latitude 65°-66° begins the zone of tall forest-trees, known as the *taiga*, with which, in Central Siberia, the whole country down to the Chinese frontier is covered. In the agricultural districts of Western Siberia this tall, dense forest gives place to scattered woods of birch. The forests are composed generally of coniferous trees—firs, pines, larches, and cedars. In the agricultural districts of Tobolsk birch and aspen predominate, and in the oases of the Kirghiz steppes willows are also found. The influence of these immense forests on the climate, and their value as timber, is only just beginning to be appreciated. Until lately the Siberians regarded the forest as an enemy, and not without reason, for it required great labour to clear, and its recesses sheltered wild animals and poisonous mosquitoes. The increase of colonisation, the coming of the railway, and the birth of industries have led to a change of attitude. The forest is now protected by law and is under the care of rangers. Instead of being at the mercy of any one to destroy, it is parcelled out into *datchas*, and the felling of wood is restricted by

[1] "Foreign Office Reports," 1900, No. 2,708, p. 11. C. Aulagnon, "La Sibérie économique," ch. iv. "Russie extra-Européenne et Polaire," pp. 21, 42, 69, 105. J. F. Fraser, "The Real Siberia," p. 40. "Guide to the Great Siberian Railway," pp. 160-62. *Board of Trade Journal*, June 6th, September 25th, November 6th, December 24th, 1902.

taxation. The quantity of timber required for local needs in a country like Siberia, where most of the houses are built of wood and burnt down once in twenty years or so, and the long winters demand an immense consumption of fuel, and the railway, steamers, and all the new industries depend largely on wood both for construction and for fuel, is necessarily very great. The time will come when wood products —cellulose, wood-pulp, and chemicals derived from wood—will be manufactured in Siberia, but it has not arrived yet, and meantime Siberia, in the opinion of M. Aulagnon, might well export timber to other countries. Taking all the expenses of felling, sawing, freight, insurance, etc., into account, he reckons that Siberian wood could be placed on the London market for £6 10*s.* the standard. The quality of Siberian timber varies according to its situation, the trees of the *taiga* region, especially those grown on elevated ground, producing wood of excellent quality; while in the region of the *ourmans* (forests subject to inundation), the trees are often hollow or rotten inside. Cedar-nuts, though much appreciated in Siberia and Russia, are exported in very small quantities.[1]

4. Industry

Industry, in the sense of manufacture, is of very recent and very slight importance in Siberia; but ever since its conquest Siberia has been known to possess abundant sources of natural wealth. The first of these to attract the attention of the Russian conquerors was its furs. The Cossack soldiers and the Voyevodes (governors) were instructed to procure furs, and for this purpose the "*Jassak*"—fur tribute—was exacted from the aborigines, and a reckless system of hunting and trapping was set on foot, resulting in the almost complete extermination of the finer kinds of fur-producing

[1] C. Aulagnon, "La Sibérie économique," pp. 119-23.

animals. "It must be remembered," says Yadrinseff, "that the Russians did nothing to enrich Siberia, or to lay the foundation of a solid industry; they simply exploited and exhausted the productivity of the country." The hunters, starting in Western Siberia, moved continually farther east, until by the beginning of the nineteenth century complaints were rife that even in the east the spoils which fell to their guns were greatly diminished. In the early years of the last century 8,000,000 squirrel skins were annually exported to China alone. In 1836 the number was exactly half. Even as late as 1860 the ermines brought to the annual fair at Irbit reached a total of 108,000 and the sables 43,600, whereas in 1880 the totals had sunk to 24,000 and 5,150 respectively. Reckless trapping of young animals and the burning of the forests are chiefly responsible for this diminution, though, as Dr. Petri has pointed out, the latter process is not in the long run destructive to animal life. When the ground begins to recover, small bushes and underwood bearing berries appear; these attract birds and small animals, the forest grows again, and beasts of prey (which nevertheless live largely on fruit) return, so that the cycle is completed in the following stages:—Man, forest burning, berries, fruit-eating animals, beasts of prey, man. At the present time Western Siberia is of slight importance to the fur trade, which is concentrated in Central and Eastern Siberia, and particularly in the basin of the Lena. The skins of the animals shot or trapped by Yakuts, Tunguses, and Siberian settlers are collected at small village fairs and brought to the great wholesale fair of Irbit, a place 150 miles east of the Ural Mountains. The prices given at this fair are for non-assorted lots. The animal found in greatest abundance is the squirrel, and it is estimated that from 4,000,000 to 5,000,000 are killed annually. The small grey squirrel is the most esteemed. The price of a single skin varies according to colour, quality, and place of origin, from

12 to 30 kopeks. Foxes are also very abundant, and are found in the steppes as well as in the forests; some 15,000 to 20,000 skins are sold annually at Irbit for a price varying from 4 to 10 roubles the pair for ordinary kinds. The most esteemed of all Siberian furs is the sable. The famous Yakutsk sable is now almost extinct, but sables are still brought to Irbit from Kiremsk in the government of Irkutsk, and from Oudskoi in the littoral. In 1903 undressed fells sold at from £3 to £40 each. The Siberian black hare has become very scarce, as well as the blue fox. The fells of the latter fetch about £10 each. The number of ermines sold at the Yakutsk fair in 1898 was 45,000. The remaining fur-bearing animals are the marten, wild-cat, wolf, bear, pole-cat, hare, and marmot. The railway has enabled traders, both Russian and foreign, especially German, to buy furs locally as well as at the Irbit fair, and to despatch them direct to their destination. This is frequently effected by means of the parcel post. Furs formerly constituted the chief article of exchange with China; but the trade is now declining, and may be expected to decrease still more as the railway makes European markets more accessible.

The birds of Siberia form an important article of export, birds of prey being killed for their feathers and edible birds as game. The former, comprising eagles, owls, grebes, and crows, are sent to Paris, Vienna, Berlin, and Leipzig. Game is forwarded from nearly all the stations on the Great Siberian line, being frozen in winter, and in summer travelling by the refrigerator waggons provided for butter. It is sent chiefly to London. The rivers and lakes of Siberia abound in fish, but these attract very little attention as a means of wealth. In the north fish forms the chief sustenance of the Yakuts and other aboriginal tribes who are ichthyophagous, but as an article of commerce it is unimportant. Fishing for commercial purposes is carried on on the Obi and Yenissei during the summer months by *artels*, by

small masters, and by the large commercial houses of Tomsk, Tobolsk, and Tiumen; winter fishing is only practised by the aborigines for the supply of their own wants. The sea fish obtained are the sturgeon, hake, herring, and smelt; the fresh-water fish include perch, pike, roach, bream, etc. No exact statistics of the fisheries are available, but the annual yield of the Lower Obi is estimated at 1,500,000 poods (24,000 tons).

The preparation of tinned fish, though at present effected on a small scale only, might be greatly developed. The fish itself is good and abundant; the packing material, on the other hand, has to be brought from a great distance, the tin from England, and the oil from France by way of Odessa. The fish carried on the railway in 1899 amounted to some 210,000 poods (3,400 tons), about half of which was destined for Russia. The island of Saghalien might compete with Newfoundland as a fishing-ground, but all its potentialities in this direction must remain undeveloped so long as it continues to be a penal settlement. The Sea of Okhotsk is rich in fish and sea mammals, whales, seals, and otters being found there in abundance. Till lately it has been the resort of the sea-cow and the sea-lion. The former was last seen in 1855. The whale fishery of the Sea of Okhotsk and Behring Sea is entirely in the hands of foreigners, especially Americans. A Siberian company was, however, formed in 1887. From 1871 to 1891 the seal fishery was leased to the half-American Alaska Company, but in 1891 its fishing rights became the property of the Russian Sealskin Company, which has taken on an average from 14,000 to 30,000 seals per annum. The skins are all sold in London. The waters of the Amur and Ussuri are both frequented by large fish, and sturgeons have been taken on the Amur weighing 1,875 lb. The fisheries of the Ussuri seaboard have considerable commercial importance; not only fish are taken, but also sea-cabbage, crayfish, and trepang.

Foreigners who fish for export pay a duty of 7 kopeks per pood. The sea-cabbage industry, which is chiefly carried on by the Chinese for export to China, thus brings in to the Treasury an annual sum of 24,000 roubles. The tusks of the mammoth and sea-cow (morse) afford ivory, which is much sought after. Hunting for these buried remains is carried on by the aborigines in the tundras of Central and Eastern Siberia. In 1898 some 80,000 lb., valued at 52,000 roubles, were offered for sale at the fair of Yakutsk.[1]

Gold has always been known to exist in Siberia, and the search for it was a subject of frequent proclamations by the early Voyevodes, but no systematic mining was begun till the fourth decade of the nineteenth century. Russia is now the fourth gold-producing country of the world, and two-thirds of its total output come from Siberia, which produces about 63,396 lb. a year. The working of vein ore is still very infrequent, the system commonly practised being that known as the placer system. Gold deposits are found in river valleys beneath a covering of turf about three yards thick, which has to be removed before the layers of auriferous sand are reached. These layers vary from thirty centimetres to three inches in thickness, and also vary largely in quality. In Western Siberia the quantity of gold per pood of sand is less than in the Urals; in Eastern Siberia it is higher. The sand is collected in pools, which are left to freeze during the winter, and washed out by means of sluices, vats, etc. The methods employed are extremely primitive, and probably a considerable proportion of the gold is lost during the process of working. The annual yield of Western Siberia at present is about 5,616 lb. obtained from alluvium and 432 lb. from vein ore.

The State was till 1902 the sole legal purchaser

[1] C. Aulagnon, "La Sibérie économique," ch. vi. Yadrinseff, "Sibirien," "Guide to the Great Siberian Railway," p. 238. *Board of Trade Journal*, October 30th, 1902. *Times*, October 27th, 1903.

of gold, the concession owner being obliged to obtain a certificate of weight from the district engineer, and then send his gold to Tomsk, where it was melted into bars and again weighed. A six-months' assignat on the Treasury was then delivered to him, less the cost of transport to the Mint at St. Petersburg, and of a tax of from 3 to 15 per cent. on the raw material. The State also levied a tax of 1 rouble per dessiatin on land conceded. "This system of taxation," says M. Leroy-Beaulieu, "is evidently ill-devised. It leads, in the first place, to falsifications, which a high mining official estimated in my presence at 5,000 kilos at least—*i.e.*, at over 15,000,000 francs a year. Further, it has induced mining companies to take up large concessions, of which they only work the richest part, while they are thus enabled to shut out others who would compete with them for labour and thus raise the rate of wages." Many years of wasteful working, combined with the drain of labour to the railway, have produced a crisis in Siberian mining. Its present position is far from prosperous, but this is entirely due to mismanagement, and does not mean that the gold supply is exhausted. Even the placers which have been abandoned are skimmed rather than worked out. Numbers of them might be reopened; others, less rich, have never been tapped, owing to the cost involved, and these are three or four times more numerous than those already worked. Add to this that existing vein ores have hardly been touched, and it becomes evident that the production of gold in Siberia has by no means reached its highest point. The present administration is anxious to encourage the investment of foreign capital and the use of modern methods, if only to procure sufficient precious metal to maintain the gold standard; and it is with a view to encouraging the industry that the new regulations as to taxation have been introduced. Commencing from the year 1902, (1) the tax on each dessiatin is reduced in proportion as the con-

ditions of the region in question are favourable to mining or not; (2) royalties in kind are abolished, with the substitution of an industrial tax graduated in proportion to the profitableness of the undertaking; (3) the State ceases to be sole purchaser, and free circulation of raw gold is permitted. These regulations do not apply to mines belonging to the Cabinet of His Imperial Majesty and worked by private individuals, or to some districts of Trans-Baikalia.

In Eastern Siberia gold deposits are found (1) in the Yakutsk province, where the bulk of the gold (24,264 lb.) comes from the Olekminsk district; (2) in the Amur region, which yields about 12,924 lb.; (3) in the Primorsky, where the industry has increased four and a half times during the last eight years; (4) at Nerchinsk, in Trans-Baikalia, where as much as 7,056 lb. are procured annually. The average annual output of gold in Eastern Siberia generally is about 57,780 lb. Gold-digging may be engaged in by all persons, whether Russians or foreigners, with the exception of Jews. The working of vein ore has been hitherto hampered by lack of capital, communication, and transport facilities; in this connection it is interesting to note that a projected railway will connect the upper reaches of the Angara river with the Vitim, thus traversing the richest gold-bearing district of Siberia, and providing means of communication over a distance of 600 miles. When M. de Witte visited Vladivostok in the autumn of 1902 the Chamber of Commerce proposed that foreigners should be permitted to act as directors of mining companies and in prospecting; and in February 1903 full mining rights in the Primorsky province were granted to an American.

Siberia supplies nearly the whole output of silver produced in the Russian Empire. The greater part still comes from the Altai district, though its production has greatly diminished, owing mainly to the destruction of the forests which supplied fuel and to

the exhaustion of the more easily worked mines. Silver is also obtained from Nerchinsk and the Kirghiz steppes. The total production in 1899 was 9,072 lb. Lead, which is generally found in conjunction with silver, has also greatly diminished. In the Altai region the quantity smelted dropped from 163 tons in 1888 to 51 tons in 1897. Copper is found only in the government of Tomsk, where the yield is very insignificant, only 284 tons having been extracted in 1899.

Coal, which forms the chief requisite for industrial development, is now known to occur in inexhaustible quantities throughout the country. The researches which have been prosecuted along the line of the railway have resulted in the discovery of a number of deposits in the government of Tomsk, the province of Semipalatinsk, in the government of Irkutsk, along the eastern shores of Lake Baikal, and along the courses of the Amur and Ussuri rivers. In Western Siberia the chief coalfield is the Kuznetz, one of the largest in the world, containing layers of great thickness, which in 1900 supplied 16,000 tons to the Siberian Railway. Mines have been worked here for over half a century, but owing to the small demand the output has been limited. The richest coalfield at present known is that of Ekibatuz, in the province of Semipalatinsk. The layers there are variously stated by different authorities as under 100, over 200 and 300 feet in thickness, and the reserve of coal is estimated at tens of millions of tons. The Voskressenskoye Company formed for the working of the mines has completed a broad-gauge railway connecting Ekibatuz with the river Irtysh, and is now manufacturing coke, for which it finds a market among the metallurgical works of the Urals. It has undertaken to supply 408,200 tons of coal to the Siberian Railway. In 1899 working was begun on the Cheremhoff coalfield in the government of Irkutsk. These mines are dispersed along the line of the railway, and cover an area of 22 square miles. Coal was also

obtained in the same year from Saghalien and in the Coast Territory. The mines in Saghalien, which yield coal of excellent quality, are worked by convicts, and the coal is supplied to the Russian Pacific Fleet and also to foreign vessels. Owing, however, to the distance of the Saghalien mines from Vladivostok, the Government has decided, for the purpose of supplying coal to the Pacific Fleet, to open up the Suchan coalfields in the south of the Ussuri region.

Iron is found in abundance, and the conditions under which it occurs are favourable to the development of the industry. "A region specially deserving of notice is that occupied by the Kuznetz coalfields, where stores of excellent ferruginous ore are found in close proximity to rich deposits of coking coal." In spite of these advantages, however, Siberia only possesses five ironworks, the output of which is very small—viz., 4,900 tons of cast-iron, 3,400 tons of wrought-iron, and 630 tons of cast metal. "Prices are high and the demand is great; the supply is there, but it requires to be got at. And as with iron, so in general with the hidden mineral resources of Siberia, more accessible inland communications, capital and enterprise, with modern methods and appliances, and a nearer demand should help to turn these little or primitively worked regions into rich industrial centres." In 1899, 91,310 tons of salt were obtained in Siberia chiefly in the form of lake salt; rock salt, though it exists, is not worked, and the quantity obtained by evaporation is only some 13,000 tons. The largest quantities are obtained from lakes in the government of Tomsk and in the Semipalatinsk province. In very hot summers salt is deposited on the shores to a thickness of four inches. The total production is nevertheless inadequate for the wants of the population, and large quantities at high prices are imported from Russia. In the more remote regions the Government has monopolised the sale of salt with a view to ensuring a reasonable price to the purchaser. Other minerals found in Siberia are

graphite, mica, lapis-lazuli, asbestos, and various marbles and precious stones.

Manufacturing industries are so insignificant that were it not that they must now rapidly develop, it would be unnecessary to refer to them. In 1897 the entire industrial production of the country, including the output of the ironworks already mentioned, was worth only 23,000,000 roubles, and the number of persons employed was about 30,000 scattered over some 11,350 small establishments. The most important industries are those which are closely dependent for their raw material on agriculture, as, for instance, flour milling and distilling. Distilleries are to be found everywhere; they are worked by methods distinctly industrial and the profits are large. The Government monopoly system came into force in 1902 for Western Siberia, and will be extended to Eastern Siberia in 1904. All towns of any importance are also provided with breweries: Irkutsk has seven, Tomsk four, and Omsk two. Factories for melting animal fat and for the manufacture of tallow and soap are numerous, and the value of their output amounts to some 2,000,000 roubles a year. Tanning and leather works are most frequent in the governments of Tobolsk and Tomsk, the total production being valued at 2,500,000 roubles. The only timber industry of any importance is match-making. Siberia counts about a dozen match factories, the output of which, though small, is equal to the demand. Other manufactures there are none. The chief want of Siberia is manufactured articles, and every kind of machinery and appliance requisite for industrial and agricultural production. "Hitherto it has manufactured nothing. All its trade was the export of its raw produce. . . . Trade was, and is to some extent, largely in the grip of a few monopolists. The railway will help to distribute it on a more regular, more extended, and more rational basis, and already, through the increasing facilities of communication . . . European firms are despatching their goods to widely distant

centres, and it is essentially from abroad that this wider commercial and industrial development must come."[1]

The exports of Siberia have already been mentioned under the heads of agriculture and industry, and, with the exception of its grain and recent butter trade, it has no noticeable international commerce; the imports include nearly all the manufactured goods used in the country. They come from Russia, England (cotton and woollen goods, iron, machinery, etc.), America (flour, machinery, and agricultural implements), Germany (a growing and varied trade in manufactured goods, furniture, etc.), France, and Japan. There are no very recent statistics of the foreign trade of the Far East, but hitherto Germany has obtained about 30 per cent. and the United Kingdom 25 per cent. The fifteen[2] steamers of the Volunteer Fleet and the East Asiatic Company of Copenhagen, sailing under the Russian flag, keep up trade intercourse between Russian European ports and the Far East. The export and import trade is, however, entirely dwarfed in comparison with the transit trade which forms the great commercial activity of Siberia. The staple of this trade is tea, which, passing the Chinese frontier at Kiatka, 270 versts (180 miles) to the south-east of Irkutsk, is conveyed along the postal route to Irbit, in the government of Perm, and to Nijni-Novgorod. Kiatka owes its existence as a town entirely to this trade, for the whole consignment is there re-packed in order to secure it against the damages incident to the journey across Siberia. A large proportion of the tea imported *via* Kiatka is brick tea, which is much cheaper than leaf tea, and

[1] "Russia: its Industries and Trade," pp. 270-77, 306. C. Aulagnon, "La Sibérie économique," ch. vii. *Board of Trade Journal*, September 1899, February 1902; April 23rd, November 5th, 1903. "Foreign Office Reports," No. 533, p. 19. P. Leroy-Beaulieu, "La Renovation de l'Asie," pp. 46-53.

[2] Two steamers have been recently withdrawn, and the number of the Volunteer Fleet is now thirteen (*Times*, January 28th, 1904).

is destined for consumption in Siberia and not for transport to Russia. Camels laden with tea cross the desert of Obi and arrive at Kiatka in the month of October. The tea is then re-packed and loaded on sledges, which cross Lake Baikal on the ice and reach Western Siberia about March or April. The length and duration of the journey are enormous, and the cost of transit from Hankow to Nijni-Novgorod is reckoned at over 18 roubles on each pood (36 lb.) of tea. In spite of the heavy cost, however, the quantity of tea imported by this route greatly exceeds that coming by the Odessa route, the difference being partly due to the Russian prejudice against sea-borne tea, but mainly to the customs tariff, which falls more heavily on Odessa tea than on that imported by land. The duty on all kinds of tea, except brick tea, imported by the European frontier is 31½ roubles per pood, compared with 25½ roubles on that imported *via* Irkutsk; the duty on brick tea imported by the European frontier was in 1899 reduced to 11¼ roubles, while that imported *via* Irkutsk paid 3¾ roubles. The duty on leaf tea, if imported by the European frontier, is 9 roubles higher at the present time than on importations by way of Kiatka. There is every prospect that the import of tea direct from China will increase, and that the railway will succeed to the immense carrying trade formerly monopolised by the caravan route.

The railway is already beginning to influence another commercial usage of long standing in Siberia—viz., the great annual fairs. At Irbit, in past years, some 40,000,000 or 50,000,000 roubles' worth of goods were accumulated each year at the time of the fair, while now sales are largely effected by means of samples, the towns on the line of the railway providing permanent depôts. Commercial travellers are thus enabled to penetrate the country in all directions. No more striking proof of the decay of the old methods of trading could be adduced than the recent development of banking. Banks are widely diffused, and are to be found in

every town, Tiumen having four banks, Tobolsk two, and Tomsk four. Tomsk also possesses the first, and at present the only Stock Exchange in Siberia. The population of Tomsk is about 53,000. It has a University and Technical School, and is the centre of administration. Irkutsk has a population only one thousand inferior to that of Tomsk. It is the great forwarding centre of the tea trade, and is also a depôt for goods destined for the valley of the Lena, Trans-Baikalia, and part of the Amur basin; but its activities are purely commercial, with no industry worthy of mention. The other towns of Siberia—Tobolsk, Omsk, Tiumen—owe their importance to their position at the confluence of rivers or on the railway, which enables them to act as commercial depôts. Barnaoul is the only considerable town remote from the great lines of communication, but it possesses a counterbalancing advantage in the fact that it forms the centre of the most-favoured agricultural district in Western Siberia. The total urban population of Siberia is only 8 per cent. of the whole, and when once the railway route is left, the traveller finds himself in a region wholly agricultural. The trade of the Amur territory has suffered greatly since the construction of the Manchurian Railway. According to a report of the Governor-General, quoted in Mr. Cooke's report ("Foreign Office Reports," Miscellaneous Series, No. 585), the river traffic of the Amur has all been diverted to the railway, and this traffic formed the sole means of livelihood to the inhabitants of the surrounding district. The import of cheap Manchurian grain renders agriculture unprofitable; "thus the measures taken to attract goods and passenger traffic to the Manchurian line will result in the complete ruin of the Pri-Amur country."[1]

[1] P. Leroy-Beaulieu, "La Renovation de l'Asie," chs. v., vi. C. Aulagnon, "La Sibérie économique," ch. ix. Legras, "En Sibérie," p. 287. "Foreign Office Reports," Miscellaneous Series, No. 533, pp. 13-15; No. 585

5. Possibilities of Siberia

In everything that has been written on the subject of Siberia we come sooner or later to the inevitable comparison of Siberia with Canada. Both countries present somewhat similar geographical conditions—both possess great lakes and forests, a sub-Arctic climate, and the same sociological conditions, except that as regards colonisation Siberia has the advantage of not being separated by sea from the mother country. Reasoning from these premisses it is concluded that as Canada has become a great wheat-exporting country the same thing will happen in Siberia, and it is chiefly as a means of transporting cheap wheat that the Siberian Railway is welcomed abroad. The Siberians themselves do not share this opinion. MM. Yadrinseff and Petri say distinctly that, if foreigners come to Siberia merely to rob the land of its grain, Siberia would do better without them. They believe that the country cannot for many years to come export grain without impoverishing and starving its own people. The whole cultivable area of the country is some 800,000 square miles, but this is only one-sixth of its whole extent, and this one-sixth must provide food, not only for its own population, but for the inhabitants of the remaining five-sixths. It is true that the region of taigas, tundras, and steppes can never support a dense population, but many of the mines are situated in these regions, and as the mining industry develops the population will increase, to say nothing of the timber, fishing, and fur industries, which could all employ a much larger number of hands. The cultivable zone again in different regions differs widely in productivity, but nowhere is it so fertile as the Black Mould zone of Russia. Many parts of Eastern Siberia are at the present time incapable of raising sufficient grain for their own wants, and must depend on the surplus production of the Western province. Then, again, though the country is every year receiving fresh supplies of agricultural labourers, these immigrants

arrive empty-handed and have to provide their own subsistence. The colonisation of Eastern Siberia was not seriously taken in hand till 1896, so that the country is only now beginning to reap the benefit of the movement. For these reasons, therefore, it would seem that Siberia must for the present require for home consumption all the corn that can be raised within its borders, however greatly this quantity may be increased. It may be urged against this view that Siberia is actually a grain-exporting country, and that since the advent of the railway its export has largely increased. But it must be remembered that the railway has not until the present year been ready to carry freights eastward, while for five years its western portions have been opened to goods traffic, and the surplus grain of Western Siberia had therefore no choice but to go west if it was to leave the country at all. Siberia is undoubtedly capable of development into a great exporting country; M. Yadrinseff believed that with better methods of cultivation the production of the Black Mould zone might be increased a hundred-fold. Dr. Petri also maintains his belief in the future capacity of Siberia, but regards its present producing power as very limited. It must not be forgotten, however, that he wrote in 1886, when the railway was still a mere project and the most varied expectations were entertained as to its results. These, as we now know, have exceeded the most sanguine hopes, and yet the economic condition of the country still continues on the whole to justify Dr. Petri's opinion: and Siberia, although on the way to become so, is not yet to any great extent a wheat-exporting country. M. Aulagnon writes: "Without being charged with optimism, one may affirm that the exportation of agricultural produce, far from being a passing occurrence, will become of importance to the whole world."

The first step in the path of progress has already been taken; the Trans-Siberian Railway is an accomplished fact, and a fact of such magnitude that it is apt to

assume greater dimensions than it really possesses. A single line of rail running through the southern part of half a continent cannot absorb the traffic of the whole country. It is true the great northern regions with their mines and fisheries are untouched, but the main towns and districts within touch of the rail give abundant evidence that their isolation is a thing of the past. If the different centres of population are to be brought into touch with one another, there is still a great work to be done in the opening up of communication and the development, by means of canals and branch railways, of the river systems of the north. Improved means of communication are in fact the most pressing need of the country. For lack of them famines recur periodically in the east, while grain is a drug in the markets of the west, industries are stifled by high prices, and mines remain unworked. Easy internal communication would reverse this order of things and enable the internal resources of the country to be developed, and it is this, rather than wholesale exploitation for the benefit of Russia, that Siberia needs. It has been already shown how feeble is the industrial development of the country. This is largely due to the system of monopoly which has hitherto prevailed in every branch of industry no less than in agriculture. M. Yadrinseff describes the state of practical slavery into which the peasants have fallen through inability to pay their taxes. When the payment can no longer be postponed, they have recourse to a money-lender, who advances the necessary sums and claims the whole labour of the peasant in return. "A whole family toils the year round for the exploiter and receives a calf; not seldom the exploiter rewards a woman's work for the whole day with a cup of sour milk; children work for nothing but bread." Mr. Stadling again, writing in 1901, says: "Those working at the so-called peasant industries (making furniture, carts, sledges, etc.) make about 30 to 40

roubles during the winter and 60 to 70 roubles during the whole year . . . the truck system is general, and work in Siberian industries has often the character of forced labour." If the conditions here described still exist, it can only be in defiance of the law of 1886 dealing with labour contracts which is nominally in force over the whole empire. By this law wages must be paid in cash, and wilful infringement of the contract is punishable on both sides. The progress already made in manufacturing industries shows what may be expected in the near future. In 1895 there were only 650 factories in the whole of Siberia, employing some 15,000 hands ; two years later the number of factories had increased to 11,350, and the number of persons employed had doubled. The transactions of the great annual fair at Irbit show that Siberia has been accustomed to buy from Russia manufactured goods six times greater in value than the raw produce that she sold. This alone proves how vast is the field for industrial development, if Siberia is to satisfy the wants of her own consumers. But the more advanced of Siberian statesmen have never confined their hopes within the borders of their own country. By its geographical position, which constitutes it a link between Europe and Asia, Siberia is marked out as the commercial agent of the two continents. Enormous prices are still paid in Central Asia for manufactured articles imported from Europe, but if these articles could be either made in Siberia or imported more cheaply by means of improved communication, there can be little doubt that the demand for them would be greatly increased. The extension of Russian influence in the Khanate of Bokhara and in Turkestan has been followed by an increase of Russian trade, and since the opening of the telegraph line in 1884 four Russian houses have had commercial representatives in Bokhara. The beginning of a trade with Western China has also been carried on by the Tschuj and Buchtarminskaia routes.

When M. Yadrinseff wrote, some fifteen years ago, industrial expansion was dependent on an increase of population, and he therefore ranked colonisation as the first of Siberia's needs. The encouragement recently given by the Government to emigration, together with the reform of the exile system, have gone far to satisfy this need. "It would be premature," says Mr. H. Cooke, "to expect any very sudden or wide awakening of commercial or industrial enterprise . . . in a country whose area exceeds that of the whole of Europe, but whose population is that of the British Isles of two centuries ago. Save within the environment of the large towns, the conditions still preserve much of their former primitive character. The immigration movement is not that of a superior race flooding the country at once with a new spirit of enterprise, launching capital freely, and introducing modern methods and means. . . . In general the immigrants are of the same rugged peasant element that struggles for existence in the villages of Russia." The new need of the present day is that the immigrants should prove themselves men of sufficient strength and resource to grapple with the economic difficulties of their adopted country.[1]

The course of events in 1903 seems, however, to indicate that the industrial development of Siberia may be postponed by political exigencies in the Far East. The appointment of Admiral Alexeieff on August 12th, 1903, as Viceroy of the Amur and Kwantung districts shows that the future of Eastern Siberia is henceforth to be bound up with that of Manchuria, and that the development of both must be subordinated to the general policy of Russian expansion in the Far East. The great importance of the appointment is shown by the extent of the powers committed to Admiral Alexeieff. He is invested with supreme

[1] Yadrinseff, "Sibirien," ch. viii. C. Aulagnon, "La Sibérie économique," ch. x. "Foreign Office Reports," Miscellaneous Series, No. 585, p. 21.

authority over all branches of the civil administration, the direction of which is no longer in the hands of the Ministries. He is to maintain order and ensure safety in the districts traversed by the Eastern Chinese Railway; and diplomatic negotiations with neighbouring States are placed in his hands as well as the command of the Russian Fleet in the Pacific and all the troops in the new administration. The appointment was hailed by the Russian press as the beginning of a new era of prosperity for the district, and this it may be, but it is hardly likely that so important and unusual a step would have been taken merely to promote commercial interests. That more far-reaching issues are involved is evident from the declaration of the Moscow *Viedomosti*, which wrote of the appointment as follows:—"Spheres of Russian indirect possession are only being created, and every delay in taking the steps necessary for their development must be fraught with most injurious consequences. Yet it is precisely on the strength of this indirect possession that our ability lastingly to acquire territories either formally belonging to us under treaty or at the present moment under our actual guardianship or supervision really rests." The expansion of Russia on the shores of the Pacific seems, in view of the present crisis in Korea, to be the real significance of the creation of the new Viceroyalty.

Whether the Russian nation will be equal to the task it has undertaken, or whether, as some maintain, it must call in the help of foreign settlers and foreign capital, depends largely on the degree of intellectual and social progress it is able to develop in Siberia in the immediate future. If the old evils of monopoly and corruption are allowed to continue unchecked—and there can be little doubt that even in its newest enterprise Russia has been cheated and robbed by her own agents at every turn—then the future of Siberia can be little less gloomy than its past,

and any help it receives must come to it through foreigners, whose primary object is their own gain. If, on the other hand, these evils can be checked by administrative reforms, the great destiny which her sons have so often prophesied for Siberia may yet be hers. Of the administrative changes formulated by the people themselves on the occasion of the tercentenary of the country, the most essential, abolition of the exile system and the promotion of free colonisation, have been in some measure accomplished. The other reforms were: (1) The introduction of the *zemstvo*, (2) a public judiciary system, (3) personal liberty and the inviolability of personal property, (4) freedom to move from one place to another. As regards (2), reformed tribunals, but without juries, were introduced in 1897 and a law instituting Peasant Administration and Peasant Chiefs in June 1898. Life and property are still (see p. 401) very insecure. Still more important than these external changes is the question of education. When M. Yadrinseff published his work on Siberia, education was not only backward, but was actually in a worse state than ten years previously. The number of schools had decreased, and public libraries, in more than one instance, had been closed for want of readers. Elementary schools were few in number, the teachers often ignorant and immoral. Secondary education was based on the old scholastic methods and was entirely out of touch with the needs of the people, the result being that the gymnasia had very few pupils, and of these only a small proportion completed the course. "Gymnasia," writes M. Yadrinseff, "which only turn out from three to nine students a year in a population of over 4,000,000, can hardly be said to exercise any influence at all." The percentage of children attending any school was then estimated at 0·38. Public instruction is placed under the care of the Ministry of Public Instruction, and Siberia for educational

purposes is divided into three divisions—Eastern, Western, and the Amur. Many schools, however, are exempt from this jurisdiction, and are managed by the Holy Synod, local authorities, educational societies, or private persons. The number of schools under the Ministry of Instruction in 1898 was given as follows:—

	Schools.	Teachers.	Pupils.
West Siberia . .	156	464	14,375
East Siberia . . .	246	610	13,331
Amur	230	379	10,886
Total . . .	632	1,453	38,592

For the other schools no statistics are available. The educational policy of the schools under the Ministry of Instruction varies according to the political views of the Minister and his subordinates. M. Legras, who visited Siberia in connection with an educational inquiry, states expressly that the first duty of the "Rector" is to decide whether or not it is expedient to encourage education among the people. "The Russian Government fully understands that to increase the number of schools is to sow the seeds of Liberalism among the people, and consequently to create enemies. It has, therefore, sought to place the schools in the hands of ecclesiastics, for the popes have never been suspected of Liberalism. But, side by side with these church schools, to which M. Pobiedonostseff, the Procurator of the Holy Synod, has given so powerful a stimulus, there exist other schools; these are in general much better organised, and are supported either by local councils or private individuals. These non-church schools are much more prosperous and better liked by the people, but they often give umbrage to the authorities. They cannot suppress them; they, therefore, wage a secret war against them, and it is

this strife which constitutes the whole history of elementary education in Russia for the last ten years. Now, in Siberia this task is a delicate one, for if on the one side the authorities are less well armed than in Russia, the opposition, on the other, is less easily coerced, for those who live in Siberia cannot fear being sent there." The educational centre of Siberia is Tomsk; it possesses 43 elementary and 13 secondary schools, and a university with very fine buildings. This university was founded in 1880, and opened in 1888 with one Faculty, that of Medicine. Ten years later the Faculty of Law was added. The mental capacity of the Siberian people is indisputable; "they may be lacking," says M. Yadrinseff, "in the regular recognised kinds of culture but not at all in talent and the power to learn." On the other hand, it must be confessed that the mass of the people are characterised by great inertia and intellectual deadness. The extension of education and its adaptation to the needs of the people will, it is hoped, rouse them from the lethargy in which they are sunk. Still more effective will be the example of energy and resourcefulness set them by the foreign merchants, who are now seeking openings for trade all over the country. The creation of the butter industry by the Danes is but one instance of what can be done to "arouse that new life of competitive spirit of which Siberia stands so sadly in need."[1]

II. MANCHURIA

1. Outline of History since Japanese War

When the 1st and 2nd Corps of the victorious Japanese army joined forces in March 1895, the whole of the peninsula of Liao-tung was in their hands.

[1] Yadrinseff, "Sibirien," chs. viii. x. Legras, "En Sibérie," pp. 71-3. "Guide to the Great Siberian Railway," p. 318. "Statesman's Year-book," 1902, p. 989. Stadling, "Through Siberia," ch. xxiv. *Times*, August 14th, 18th, 22nd, 1903.

By the Treaty of Peace between Japan and China, concluded in the following month, the peninsula was ceded to Japan; but before the final ratifications were exchanged the Japanese proclaimed that, in deference to the recommendations of Russia, France, and Germany, they had decided to give back the ceded territory. Six months later (on November 8th, 1895) a Convention was signed confirming the retrocession, in consideration of which China agreed to pay 30,000,000 Kuping taels (about £5,000,000) within eight days, on condition that the peninsula should be evacuated by the Japanese forces. The indemnity was paid, and before the end of the year the withdrawal of the Japanese army was completed.[1]

The Allied Powers, and especially Russia, who had taken the leading part in the negotiations, had unquestionably rendered China a great service. England had not intervened at all, and it was easy for Russia to persuade China that this attitude of non-intervention was in reality the mask of a concealed alliance with Japan. China, therefore, with the memory of Russian services still fresh, and with the fear of Japan and Great Britain before its eyes, was asked to grant to Russia the right to construct a railway through the very heart of Manchuria, the home of the Imperial dynasty. Through the agency of the Dowager Empress and Li Hung Chang, the Emperor was gradually won over to give his consent, and in September 1896 the agreement known as the Cassini Convention (after the name of the Russian Minister who had conducted the negotiations) was concluded between the Chinese Government and the Russo-Chinese Bank. By the terms of the Convention the bank agreed to form a company, to be called the Chinese Eastern Railway Company, to construct a railway through Manchuria to a point in the Southern Ussuri Railway. This treaty was much more than a

[1] Alexander Hosie, "Manchuria: its People, Resources, and Recent History," pp. 39-43. See Appendix 2 (*c*) and (*d*).

mere railway convention: it constituted a practical protectorate over Manchuria. The president of the Russo-Chinese Bank, Prince Uchtomsky, an intimate friend• of the Tsar, and a man penetrated with the idea of the cultural mission of Russia in the East, regarded the Manchurian Railway as no mere question of so many versts saved or so many tunnels avoided. The significance of the whole scheme lay in its objective. When the Siberian Railway was begun, Vladivostok, situated on the open sea, seemed a satisfactory terminus, "no one (then) expected that Japan would at an early date revolutionise the political and military position in the North Pacific. . . . But the triumph of Japan in 1894-5 dispelled these views. A glance at the map will show that Japan practically closes the outlets of Vladivostok. . . . To utilise that advantage it only needed that Japan should have a navy, and this she has not only shown she possesses, but she has manifested her intention to strengthen it in every way, and to employ it for her own expansion." Under these altered circumstances Vladivostok could no longer be regarded by Russia as a suitable terminus for her great railway, and it became necessary for her to obtain another between the Liao-tung Peninsula and the western coast of Korea. The Cassini Convention also provided that Russia was to have a lease of Kiaochow Bay, but was not to take immediate possession unless there was danger of war. China was to refortify Port Arthur with Russian assistance, and was to have the use of it in event of hostilities. The hostilities which promised so much to Russia were not long delayed. In November 1897 Kiaochow Bay was occupied by German ships of war, and a month later Russia had sent five men-of-war to Port Arthur, as a place of "winter anchorage," so it was stated, and a mere matter of temporary convenience. In March of the following year, 1898, Russia had secured the lease of Port Arthur and the adjacent anchorage of Talienwan, the only reason given being that it was "to assist

China in protecting Manchuria against the aggression of other Powers."[1]

This lease of twenty-five years' duration, renewable by mutual agreement, was not to be prejudicial to "China's sovereignty over this territory," but the control of all military forces was to be vested in a Russian official, and, as "Port Arthur and Talienwan are the points in the territory leased most important for Russian military purposes, Russia shall be at liberty, at her own expense, to erect forts and build barracks and provide defences at such places as she desires." The agreement provided further for the construction of a branch line from the Central Manchurian Railway to the "most suitable point on the coast between Newchwang and the Ya-lu River"—a point afterwards decided to be Port Arthur and Talienwan. One part of the harbour of Talienwan was to be reserved exclusively for Russian and Chinese men-of-war, but the remainder was to be "a commercial port, freely open to the merchant vessels of all countries" (Article 6), a proviso since realised by the construction of the port of Dalny. With the conclusion of this agreement the triumph of Russian diplomacy was complete. Russia did no doubt secure for China the recession of the Liao-tung Peninsula, which China paid for, however, with her own money, but only that she might, for all practical purposes, make a present of it to Russia. "The intervention of the Powers which Russia then organised was ostensibly directed to the protection of the integrity and independence of China, but no one doubted that its real aim was to keep the Pacific door open for Russia." The field of diplomatic successes was not yet, however, completely exhausted. There remained another sphere of railway influence which Russia was careful to dominate.[2]

[1] Hosie, "Manchuria," pp. 44-8. *Contemporary Review*, 1897, p. 180. *Quarterly Review*, 1900, pp. 11-15. See Appendix 2 (*f*).

[2] Hosie, "Manchuria," pp. 52-66. *Times*, May 19th, 1898. *Quarterly Review*, 1900, p. 15. *Contemporary Review*, 1897, pp. 180-83.

As early as 1894 the Imperial railways of North China had reached the Great Wall, and the extension northwards had begun. The terminus was then intended to be Mukden, or even Kirin. The progress of the line was, however, almost stopped by want of funds, which, though granted for the railway, were often appropriated for other purposes. It became evident, therefore, that, if the line was ever to be finished, funds must be obtained from some more constant source, and a British syndicate offered to supply them. On June 7th, 1898, a preliminary agreement was made between the Chinese Administrator-General of Railways and the Hong-Kong and Shanghai Banking Corporation, whereby the syndicate undertook to float a loan for the construction of a railway from Chung-hoa-so to Hsin-min-t'ing. The security for the loan was to be the line—its permanent way and rolling stock, together with its earnings, actual and prospective—and in default of payment the lines were to be handed over to the representatives of the syndicate to be managed by them until such time as repayment should be made. But the extension of British influence in Manchuria was the last thing desired by Russia, and this clause afforded an opportunity of interference to M. Pavloff, the Russian representative at Pekin. "Putting his own interpretation on certain previous agreements with the Tsung-li-Yamen, he insisted that the line should not be pledged to any foreign creditors, that it should be subject to no foreign control or management of any kind even in case of default, and that a formal assurance should be given to that effect." A new agreement was consequently drawn up and signed in October 1898. By this agreement the Imperial Government of China was made responsible for the payment of the principal and interest of the loan, and the mortgage was not to take effect until the help of the Chinese Government had been invoked in vain. It was, however, again agreed that the chief engineer was to be a British subject. *The*

Times of February 4th, 1899, in a leading article on the new agreement, said: "It may seem strange that Russian diplomacy should be satisfied with such a small modification of the original contract, but the fact appears to us quite capable of explanation. Russian diplomatists . . . may well consider that the contract in its new form does not contravene the principle that no railway in Manchuria is by any possibility to become the property of a non-Russian foreigner. But this is only a partial explanation, and we believe that other influences have been at work. It is no secret that M. de Witte, the Russian Minister of Finance, has of late become very anxious to see better economic and financial relations established between his own country and Great Britain, and he is intelligent enough to understand that the capital required for the development of Russian resources cannot be obtained from England so long as Russian diplomacy assumes that attitude of systematic hostility to British interests which Prince Uchtomsky recommends." But, however slight the immediate advantage obtained may have been, Russia had asserted her claim to be heard, and "not only," says Mr. Hosie, "was an alteration made in the agreement, but the whole question of railway concessions was opened up so far as Great Britain and Russia were concerned."

The final result was a Declaration and Additional Note, which were signed and exchanged on April 28th, 1899, by the representatives of the Powers. The gist of this Anglo-Russian agreement was that Great Britain pledged herself not to try to obtain railway concessions to the north of the Great Wall, and not to obstruct applications for such concessions supported by the Russian Government. Russia, on the other hand, bound herself not to seek for railway concessions in the basin of the Yang-Tsze—the limits of which were, however, not defined—or to obstruct applications for concessions in that region supported by the British Government. The Additional Note provided that the

loan already contracted between the Chinese Government and the Shanghai-Hong-Kong Bank for the construction of the Shan-hai-Kwan-Newchwang Railway was not to be understood as constituting a right of property or foreign control. The line was to remain a Chinese line under the control of the Chinese Government, and was not to be alienable to a non-Chinese company. Further, the special agreement was not to interfere with the right of Russians to construct railways which would traverse the same region as the Chinese line. On the conclusion of these preliminaries the building of the line went forward, and the main line between Chung-hoa-so and Tsin-min-t'ing, with the branch line to Newchwang, some 258 miles, was completed early in 1900. An extension was then undertaken to the Nan-p'iao coal-mines, a distance of 30 miles. The terminus of the Chinese Railway is on the right bank of the Liao, below Newchwang, while the terminus of the branch line of the Central Manchurian Railway is three miles above the town, on the left bank, where a large Russian railway settlement has been built. "These Chinese railways," writes Mr. Hosie, "are built with the English gauge, and I have been assured by experts, who had no interest whatever in their success, that they are as strongly constructed as any English line."[1]

Early in 1900 Manchuria became the scene of fresh military operations. In consequence of the Boxer rising, some of the Chinese forts on the Amur opened fire on a Russian steamer in the river. Three Russian columns were immediately despatched from the Trans-Baikal province, and the Governor of Blagovestchensk, General Gribsky, who asked for advice, received in reply a telegram from the Governor of Harbaroffsk: "In war burn and destroy." He proceeded to carry out these instructions with such energy that in the course of a few days at least 5,000 helpless Chinese

[1] Hosie, "Manchuria," pp. 44-66. *Times*, February 4th, 1899. See Appendix 2 (*h*).

had been massacred and thrown into the river. The appearance of robber bands in the neighbourhood of Mukden was made an excuse for Russian troops to ravage the country and to butcher the Chinese in a series of so-called "battles," in which, as a Russian newspaper remarked, the enemy "displayed no striking powers of resistance." The city of Kirin was occupied by the Russian forces, and on August 5th the treaty port of Newchwang fell into their hands. This town had remained unaffected by the Boxer movement up to July, when the Russian troops made an attack upon the barracks of the Chinese garrison close to the town, and after a threatened bombardment the Russian forces took possession, and a Russian civil administration was provisionally established. Mukden was occupied on October 1st. At the end of 1900 the whole of Manchuria was under Russian military occupation, or "pacification," as it was styled. When terms of peace came to be discussed, the demands of Russia were so extortionate as to evoke a protest from England, Japan, Germany, Austria, Italy, and the United States, who all addressed remonstrances to China against the advisability of conducting negotiations with any individual Power tending to impair her sovereignty over any portion of her territory. Japan, in particular, notified China that, in the event of Russia being granted any advantages, territorial or commercial, she should require equivalent advantages. The United States were also strong in their representations to China to resist encroachments upon her rights, although the weight of their protest was weakened by the withdrawal of all American forces from China save two companies in Pekin.[1]

The treaty which Russia was then trying to force upon China amounted to a claim for absolute Russian control in Manchuria, and constituted a virtual protectorate over that province. Russia was to retain

[1] Hosie, "Manchuria," p. 72. *Times*, March 3rd, 27th, July 15th, 1901. "Foreign Office Reports," No. 2,646, p. 6.

the right of guarding the line of the Eastern Chinese Railway, and the number of the Chinese military and police forces were to be fixed in consultation with Russia; China was forbidden to import artillery into Manchuria; the concession of a railway to Pekin was demanded; and all mining and railway concessions to other Powers in Manchuria, Mongolia, Kashgar, Yarkand, Khotan, and Turkestan were forbidden except with the consent of Russia, nor was China herself to construct railways in these provinces without the consent of Russia. (See Appendix 2 (*i*).)

The resistance of the Powers resulted in some slight modifications. To Japan, Russia replied that the agreement to which objection was taken was merely of a temporary nature, destined to facilitate the withdrawal of Russian forces. It was not intended to impair Chinese sovereignty, or to injure the rights or interests of other States. But neither Japan nor the other Powers were satisfied with this statement, and, backed by the moral support of Europe, China refused to sign the Manchurian Convention. Russia was at first inclined to fix a date as an ultimatum; but in the end the remonstrances of the Powers prevailed, and on April 5th, 1901, the British Foreign Office was informed of the "intention of the Russian Government not to proceed further with the Manchurian Agreement, but to await the development of events." Throughout 1901 negotiations were carried on with a view to arriving at some arrangement which would be acceptable to China and the Powers, for the latter, especially the United States and Japan, continued to protest against the exclusive privileges demanded by Russia. The death of Li Hung Chang, who had been Russia's best advocate in China, in November 1901 caused a marked development of friendly relations between China and Japan, and the conclusion of the Anglo-Japanese Alliance in January 1902 lessened still further the dependence of China upon Russia, and greatly increased her confidence in

dealing with foreign questions. The clauses in the original agreement to which Japan had chiefly objected were those prohibiting China from employing artillery in Manchuria, and the vagueness of the clause regulating the withdrawal of the Russian forces. In the agreement of April 1901 no definite date of evacuation was mentioned. By October negotiations had so far advanced that three years was named by Russia "as the shortest time for complete withdrawal, provided pacification is effected," while China continued firm in her demand for evacuation within one year.[1]

The final agreement, signed on April 18th, 1902, decided the principal points of the negotiations in favour of China: (1) Manchuria was affirmed to be an integral portion of the Chinese Empire. (2) The period of evacuation was reduced from three years to eighteen months. Russia agreed to withdraw from the Great Wall to the Liao River within the first six months, from the east of the Liao River within the second six months, and from the Hei-lung-chiang province within the third six months. Newchwang was to be evacuated as soon as the Tientsin Provisional Government should be abolished, or, in any case, within the second six months. (3) No prohibition of artillery was made. (4) The stipulation that without the permission of Russia the Liao River was not to be bridged nor the railway prolonged, was altered to read "that in these matters China should act in concert with Russia." (For full text see Appendix 2 (*k*).) The convention was submitted to the three Powers whose commercial interests were chiefly affected—England, Japan, and America—and it was equally approved by all three. Ratifications were exchanged in St. Petersburg on June 29th. At this time the number of Russian troops stationed in Manchuria was about 40,000. By October 8th, Russian troops had been withdrawn from the region between the Great Wall and the Liao River, which, according to agreement,

[1] *Times*, March 7th, July 27th, August 16th, 1901; March 7th, 1902. See Appendix 2 (*j*).

was the first province to be evacuated. *The Times* correspondent in Manchuria described the manner in which this evacuation was carried out as follows:—

"I met Russian troops evacuating the country west of the Liao River. The evacuation, conforming exactly to the letter of the convention, meant moving these troops one march eastward to Mukden, to the railway concession, where, in accordance with the railway agreement, they can be garrisoned permanently to guard the railway. The evacuation of Newchwang means the removal of the troops one hour's march up-stream to permanent quarters in the railway concession. . . . The evacuation of the great city of Mukden means moving the troops from within the walls one hour's march outside the wall, where permanent quarters are being constructed for the garrison, which is expected to number 6,000. . . . In every case evacuation means the removal of Russian troops to a point from which the city evacuated can be struck immediately and without resistance. Manchuria is absolutely dominated by Russia."

Every succeeding despatch tended to confirm this estimate of the position. On April 27th, 1903, it was announced that Russia, while declaring the evacuation of Newchwang to be complete, had seized upon the customs and municipal administration. The second stage in the evacuation of Manchuria, including that of the treaty port of Newchwang, was to have been begun on April 8th, 1903. But instead of withdrawal, on May 5th Russian troops reoccupied the town in force and also the forts at the mouth of the Liao River. On April 18th a series of new demands was presented to China, and evacuation declared to be dependent upon their being conceded. The text of the demands, as published in *The Times* of May 5th, included the following terms:—

(1) That no portion of the restored territory should be transferred under any form to another Power.

(2) The present administration of Mongolia was not to be altered.

(3) China was to undertake not to open any new treaty ports in Manchuria, or to permit new consuls without the permission of the Russian Government.

(4) No foreigners, except Russians, were to be employed in any administrative capacity in Manchuria and Mongolia.

(5) Russia to retain control of the telegraph line between Port Arthur, Newchwang, and Mukden.

(6) The Russo-Chinese Bank to continue its functions as a Customs Bank.

(7) All rights acquired in Manchuria by Russian subjects during the occupation to remain in force after the evacuation.

The British and American Ambassadors at St. Petersburg were emphatically assured that no such demands had been presented, but five days later, on April 23rd, M. de Plançon, the Russian Chargé d'Affaires at Pekin, handed to Mr. Conger an official copy of the demands in his own handwriting. This document at once disposed of the assurances given to the British Government and repeated in the House of Lords by Lord Lansdowne on May 1st. On that occasion Lord Lansdowne stated that "the information which had reached the British Government as to the conditions required for the evacuation of Manchuria was not at all correct." Similar denials of any intention "inimical to American interests" were made by Count Cassini at Washington, but neither the United States nor Japan were deceived by these statements, and on April 26th the United States Government addressed protests to both Russia and China, expecting from each the exact performance of the obligations formally contracted by them. At the same time the American Minister at Pekin sent a note to Prince Ching protesting against two of the articles of the proposed agreement which were particularly antagonistic to American interests.

The determined attitude assumed by the Powers

certainly availed to give pause to Russia for the moment, but fresh encroachments were immediately begun in another direction. A *Times* telegram of May 19th stated that interest then centred chiefly in the Ya-lu River, where Russians in considerable numbers had occupied the village of Yungampo, on the pretext that the place was required for shipping timber cut in the forests of Pengma. The Korean Government immediately protested, on the ground that this mountain was not included in the lumber concession of 1896. It also insisted that all acquisitions of land by aliens in connection with mining and railway concessions had hitherto been prefaced by official sanction, whereas the Russian purchases at Yungampo were wholly unsanctioned. The state of Manchuria formed the subject of a series of questions by the leader of the Opposition in the Lower House of the Japanese Diet, in which he stated that the condition of Manchuria constituted a violation of Chinese sovereignty and an injury to the interests of Japan. It seems probable that the shipping of timber from Yungampo serves really to excuse the presence there of Russians, and many of the lumberers are said to be Cossacks. The village is stated to be capable of conversion into a good harbour, commanding as it does the approach to the Ya-lu River and the high road to Seoul. A *Times* telegram of June 5th, 1903, reported that the Russians had already constructed roads passable for field artillery between the Ya-lu River and Liau-yang, and were then surveying the same route for a railway. Events are moving rapidly in Manchuria, and before long the ultimate goal of Russian activity there will doubtless be made evident. Russian predominance on the railway and in the towns which are springing up all along the line is an accomplished fact; and there at least Russia shows no sign of loosening her grip on Manchuria. *The Times* correspondent, who travelled over the line in January

1903, wrote that "at every station there was the same activity. Frontier guards were at blockhouses every few miles. Married soldiers are encouraged to bring their wives. Russian women and children were at every station, at every guard-house, in every camp."

The maintenance of safety on the railway offers an excuse for the presence of soldiers through its entire length. That protection is necessary cannot be denied: brigandage is becoming more and more frequent, Hunguses have become expert in the art of interrupting telegraphic communication, and heavy losses have been incurred in consequence by the railway. At the end of October 1902 the activity of the Hunguses, or native robber bands, increased to such a degree that it was necessary for the Chinese Director of Railways to petition the Russian Legation for permission to despatch 1,000 troops to the disturbed districts. In January 1903 brigandage was still rife in certain localities east of the Great Wall, and as the Chinese Government cannot increase its forces in Manchuria without the express consent of Russia (Article III. of the Manchurian Convention), it seems likely that there will ere long be work for Russian troops to do. That brigandage has increased since the Russian occupation is indisputable: this increase is ascribed by the Russian press to "rumours of the evacuation of Manchuria"; a more reasonable explanation may be found in the fact that the Russians have insisted upon the complete disarmament of the native population. "Villagers cannot arm for their own protection, and hence they are at the mercy of the robbers. In Russian official communications the policy is to exaggerate this lawlessness in order to justify possible future interference. . . . All roads are still open, and traffic continues uninterrupted even in the brigand districts, but no cart is safe unless it has paid toll to the Pao Piao Ti, or agent of the brigands."

Apart from this evil of brigandage the country is

generally believed to have benefited by the Russian occupation (though this is denied by one of the most recent writers on the subject). The relations between the soldiers and the population since the first days of harsh brutality have been remarkably friendly. "There is no doubt," says *The Times* correspondent, "that the Chinese people see in the Cossack a being much nearer to themselves than any other European soldier." Russian money is being spent in the country with a liberal hand, prices are tripled, and in everything that concerns material well-being the Chinese are experiencing a degree of prosperity they have never known before. Whether or not the recent demand for new concessions as the condition of evacuation points to an intention to annex Manchuria is a question to which at the present juncture it is impossible to give a definite reply. On *a priori* grounds it once seemed unlikely that Russia should wish to embarrass herself with such an influx of Chinese into Eastern Siberia as annexation would involve. Russia has endeavoured for some time past to prevent the entrance of the yellow race into the Amur territory, but these measures would be nullified, and immigration promoted if Manchuria were formally proclaimed Russian territory. As Russian subjects the Chinese in Manchuria would be entitled to every privilege enjoyed by citizens of the empire, and in this position they would be far less useful to Russia than they are now. Commercial, not territorial, expansion is the first aim of Russian diplomacy in Manchuria —the commercial expansion, that is, of Russia, and the restriction of the trade of all other countries. It has already been found that Russia cannot meet foreign competition on equal terms. The trade not only of Manchuria but of the Amur province is suffering severely, and numbers of firms at Vladivostok, Stretensk, and Blagovestchensk have failed. The obvious remedy is the exclusion of foreign

competitors, and this can only be done by annexation, actual or virtual.

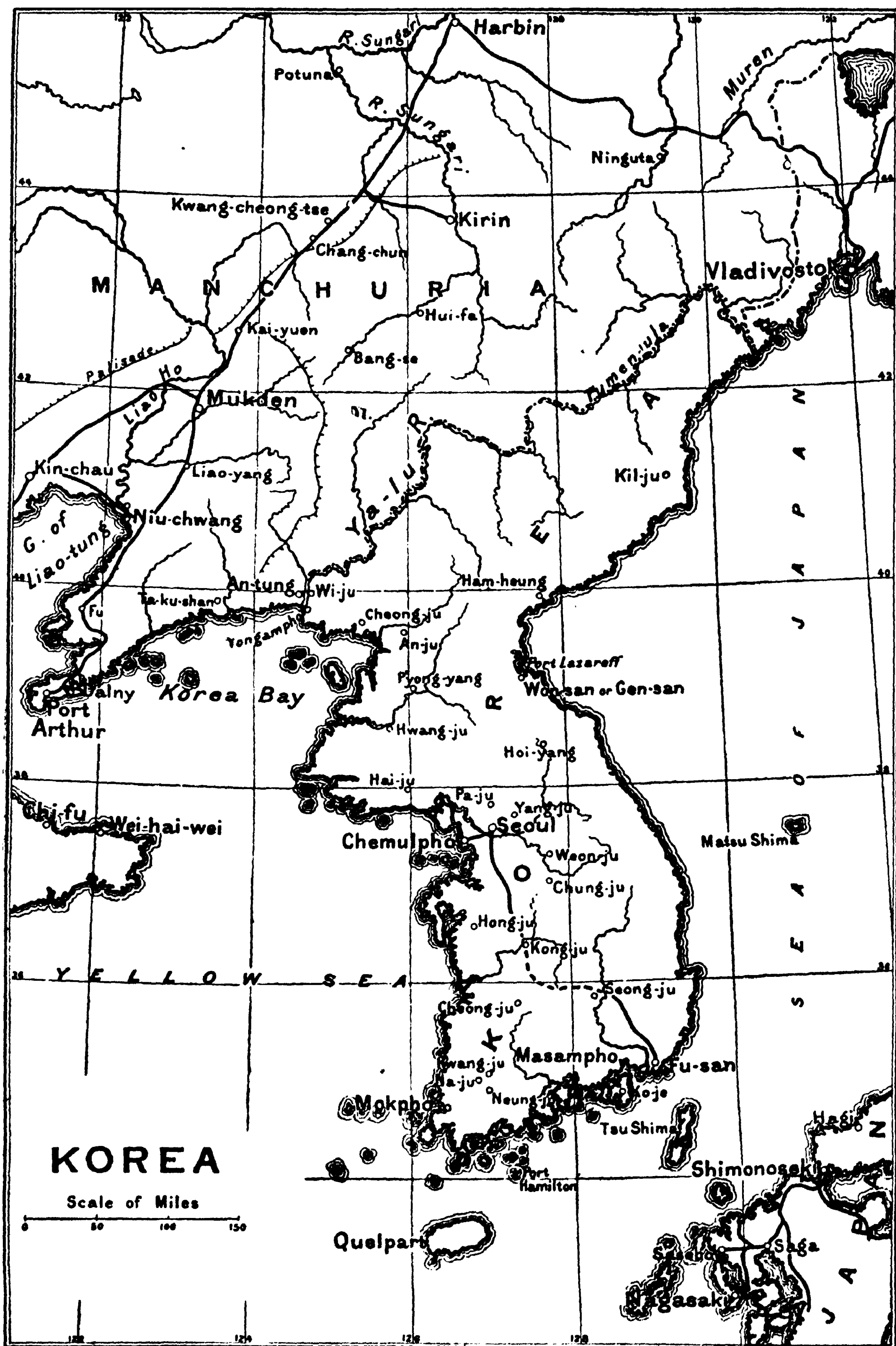
Actual and open annexation would unquestionably provoke the risk of hostilities with Japan; while an agreement with China, such as that which Russia has attempted to force upon her, would leave Russia in possession of commercial supremacy and of all the advantages which railway monopoly can confer.

Of this railway *The Times'* correspondent wrote in March 1903: "It is a military strategical railway, guarded as no other railway in the world is guarded, with blockhouses every three or four miles, with garrisons at every important point. There is no limit to the number of troops that can be stationed along the line. Russia has been given a free hand in this matter. Russia, and Russia alone, is to determine what force will be adequate. Railway guards are no longer called railway guards. They are 'frontier guards,' and their admitted number is 30,000. . . . A regular soldier becomes a frontier guard by the changing of the colour of his shoulder-straps and collar-patches into green. Evacuation, then, of the provinces now in the military occupation of Russia means the withdrawal of the troops from the cities to her railway. . . . The country along which the railway runs is a granary overflowing with foodstuffs and with live stock sufficient for any army in the world. . . . Taking these facts into consideration, I fail to see how China will ever regain possession of the territory which Russia is evacuating."[1]

The events of 1903 fully confirmed these anticipations. By the autumn it had become evident that Russian occupation was likely to be a permanent factor in the destiny of Manchuria.[2] Neither in China nor Japan was there any real expectation of Russian

[1] *Times*, August 17th, October 22nd, 23rd, 25th, 1902; January 3rd, 4th, March 17th, 24th, May 20th, 27th, 28th, 30th, June 8th, 1903. *Globe*, May 10th, 1903. *Daily Mail*, October 7th, 1901. *Fortnightly Review*, June 1903, p. 1051.

[2] Mukden was reoccupied by Russian troops on October 28th, 1903.


KOREA
Scale of Miles
0
50
100
150
Harbin
R. Sungari
Potuna
Ninguta
Muren
Kwang-cheong-tse
Kirin
Chang-chun
MANCHURIA
Vladivostok
Hui-fa
Kai-yuen
Bang-se
Palisade
Liao Ho
Mukden
Tumen-ula
Ya-lu R.
Kin-chau
Liao-yang
Kil-juo
Niu-chwang
G. of Liao-tung
An-tung
Wi-ju
Ham-heung
Ta-ku-shan
Cheong-ju
Yongampho
An-ju
Port Lazareff
Pyong-yang
Won-san or Gen-san
Dalny
Port Arthur
Korea Bay
Hwang-ju
Hoi-yang
Hai-ju
Pa-ju
Yang-ju
Chi-fu
Wei-hai-wei
Seoul
Chemulpho
Matsu Shima
Weon-ju
Chung-ju
Hong-ju
Kong-ju
YELLOW SEA
Seong-ju
Cheong-ju
KOREA
Masampho
Fu-san
Kwang-ju
Na-ju
Mokpho
Neung-ju
Ko-je
Tau Shima
Port Hamilton
Shimonoseki
Hagi
SEA OF JAPAN
Quelpart
Saga
Nagasaki
JAPAN

retirement; in fact, the vanguard of Russian advance had shifted its position—Manchuria was left behind and Korea threatened. The invasion of the Korean bank of the Ya-lu River by parties of Russian lumberers,[1] to which reference has already been made, aroused keen apprehensions in Japan, to whom the position of Korea is a matter of the gravest concern. Japan looks to Korea to provide an outlet for her already overflowing population and the supplies of food which, with her restricted area, she is unable to raise at home. Ever since 1876, when the first treaty, declaring the independence and sovereign rights of Korea, was signed between Korea and Japan, Japan has insisted upon the necessity of Korea's either remaining independent or becoming Japanese. Her rival is of course Russia, whose interest in Korea has developed rapidly since the construction of the Trans-Siberian Railway. Russian activities commenced in 1886, when a plot for placing Korea under Russian protection was detected by the Chinese agent at Seoul. As a counter-move Great Britain occupied Port Hamilton, but gave it up on receiving, through China, an explicit and official pledge on the part of Russia that, "if the British would evacuate Port Hamilton, the Russian Government would not occupy Korean territory under any circumstances whatever." This promise was declared to be still binding in 1894 by Sir Edward Grey, representing the Foreign Office in the House of Commons. In 1888 Russia concluded a Commercial Convention with Korea which opened the Korean land frontier to Russian traders, admitted Russian imports by this frontier at a lower rate of customs dues than that imposed on other sea-borne imports, and gave Russia the right to have agents in the northern part of the peninsula.

The rivalry of China and Japan with regard to

[1] A *Times* telegram dated Seoul, October 21st, stated that British and Japanese Ministers were pressing Korea to open Yungampo as a treaty port, and thus extricate herself from the dilemma in which she was placed by the granting of an exclusive concession to Russia.

Korea led in 1894 to the outbreak of war between the two empires—a war which left the Japanese supreme in Korea, although they did not absolutely annex it. The retrocession of the Liao-tung Peninsula, on the mediation of Russia, France, and Germany, led ultimately to the loss of all the advantages which Japan had gained by the war. What Japan lost Russia gained, and henceforth no course was open to Japan but that of negotiation with her rival. Three treaties have since been concluded. The first of these, known as the Waeber-Komura Memorandum, was signed at Seoul in 1896. Its 3rd and 4th Articles, which recognise the stationing of Japanese troops in Korea, read as follows:—

"III. The representative of Russia quite agrees with the representative of Japan that, in the present state of affairs in Korea, it may be necessary to have Japanese guards stationed at some places for the protection of the Japanese telegraph line between Fusan and Seoul, and that these guards, now consisting of three companies of soldiers, should be withdrawn as soon as possible, and replaced by gendarmes, who will be distributed as follows: Fifty men at Taiku, fifty men at Ka-heung, and ten men each at ten intermediate posts between Seoul and Fusan. This distribution may be liable to some changes, but the total number of the gendarme force shall never exceed two hundred men, who will afterwards be gradually withdrawn from such places, where peace and order has been restored by the Korean Government.

"IV. For the protection of the Japanese settlements at Seoul and the open ports against possible attacks by the Korean populace, two companies of Japanese troops may be stationed at Seoul, one company at Fusan, and one at Gensan, each company not to exceed two hundred men. These troops will be quartered near the settlements, and shall be withdrawn as soon as no apprehension of such attacks could be entertained. For the protection of the Russian

Legation and Consulates the Russian Government may also keep guards not exceeding the number of Japanese troops at these places, and which will be withdrawn as soon as tranquillity in the interior is completely restored."

This Memorandum was followed in June 1896 by a treaty which assured to Japan the right to administer the telegraph lines then in her possession, and gave to Russia the right to establish a telegraph line from Seoul to her frontiers. The final arrangement between Japan and Russia was signed at Tokyo on April 25th, 1898. The official French text reads as follows:—

THE NISSI-ROSEN CONVENTION

"I. Les Gouvernements Impériaux du Japon et de la Russie reconnaissent définitivement la souveraineté et l'entière indépendance de la Corée et s'engagent mutuellement à s'abstenir de toute ingérence directe dans les affaires intérieures de ce pays.

"II. Désirant écarter toute cause possible de malentendus dans l'avenir les Gouvernements Impériaux du Japon et de la Russie s'engagent mutuellement, dans le cas où la Corée aurait recours au conseil et à l'assistance, soit du Japon, soit de la Russie, de ne prendre aucune mesure quant à la nomination d'instructeurs militaires et de conseillers financiers, sans être arrivés préalablement à un accord mutuel à ce sujet.

"III. Vu le large développement qu'ont pris les enterprises commerciales et industrielles du Japon en Corée, ainsi que le nombre considérable de sujets Japonais résidant dans ce pays, le Gouvernement Impérial Russe n'entravera point le développement des relations commerciales et industrielles entre le Japon et la Corée."

Encouraged by this treaty, Japan has striven with increased energy to confirm her commercial ascendancy over Korea. The one railway in the country, the Seoul-Chemulpo line, was built by a Japanese company, and

the Seoul-Fusan line, now in course of construction, is also in Japanese hands. Japanese banks have branches all over the peninsula; three-fourths of all the ships sail under the Japanese flag. Of the 1,241,484 tons of shipping entered in Korean ports in 1902, 939,816 tons were Japanese, while only 101,516 tons were Russian, and 178,059 Korean. The bulk of the foreign commerce is with Japan, and Japanese settlers are flocking to Korea in ever-increasing numbers. In 1901 their number was estimated at 17,000, resident at Seoul and in the treaty ports; and in 1902 the value of land owned by Japanese at Seoul was reckoned by a local Japanese paper as over 600,000 yen (£61,250). Considering the magnitude of her interests in Korea, it is not surprising that the future of Korea is regarded by Japan as of absolutely vital importance, and the determination has been expressed by those who echo the feeling of the whole people that the Japanese will fight to their last man sooner than allow Korea to fall into the hands of a hostile Power. The justice of Japan's claim cannot be disputed: Korea is hers already by right of conquest, and the very fact that she has waived this right gives the more force to her claim that Korea cannot be permitted to pass under the control of Russia. Japan's rights in Korea have already been recognised by Great Britain.

The Anglo-Japanese Convention of January 30th, 1902, made this recognition one of its special objects. Article 1 states that Japan "is interested in a peculiar degree politically, as well as commercially and industrially, in Korea." To Russia, Korea is no doubt an object of desire; its possession would round off and give completeness to her Asiatic empire; it would protect the sea communication between Vladivostok and Port Arthur, and ensure the safety of the Manchurian Railway against attack from the south. In short, Korea is wanted as a matter of strategical precaution and of territorial aggrandisement, not to provide food or as a field for colonisation. Korea, if it passed to Russia,

would remain empty and undeveloped, for until Eastern Siberia is far more thickly settled than it can be for many years to come, Russia can have no population to spare for Korea, and her failure to develop the trade of Manchuria, or even of the Amur province, is a sufficient indication of what may be expected should she obtain possession of Korea. Japan has not felt that her interest in Manchuria was sufficient to justify active resistance to the Russian occupation, but her attitude towards Russian encroachments in Korea is of a different kind. The Japanese must insist upon the integrity of the kingdom being maintained inviolate and unthreatened. The independence of Korea is a question which undoubtedly concerns Japan first and foremost; but the geographical position of the peninsula, commanding as it does the sea approach to Pekin, makes its political condition a matter of the first importance not only to its nearest neighbour, but to all the Powers who are interested in the future of the Chinese Empire. The whole of the Gulf of Pechili is dominated by Korea, and no fleet approaching from the south could hope to pass through the Yellow Sea except with the consent of Korea. The approaches from the north by land are equally in her hands. With Korea neutral or friendly, Japan could land a force in Korea, and march it across Manchuria to a point on the Manchurian Railway, where it would be possible to hold up a Russian army on its way to Pekin; while if Korea were a Russian province, Russian railway communication would be safe from interruption from Moscow to the Chinese frontier.

This aspect of the Korean question is one of which none of the Powers can afford to lose sight. Korea also possesses interest to Europe and the United States as a market for manufactured goods. Its foreign trade through the eight treaty ports, though not at present large, is capable of indefinite expansion. It is barely twenty years since the country was first opened to foreign trade; it has bad roads, no railways, hardly

any shipping, and a debased coinage, yet with all these obstacles to commercial intercourse the average of its foreign trade during the five years 1897-1901 was £2,745,846. It is evident, therefore, that with improved communications Korea would afford a good market for English manufactures. From this point of view the increase of Japanese settlers is much to be desired, as tending to increase the demand for imports and to develop the resources of the country; but the establishment of even a Russian protectorate would mean the speedy extinction of all trade possibilities throughout the country. The treaty ports would be closed, the Russian tariff would be enforced, passports would be exacted from all foreign travellers, and Korea would be as difficult of approach, commercially, as any other portion of the Russian Empire.[1]

2. Boundaries, Geography, Climate

Manchuria is an agglomeration of small Tartar or Manchu principalities, lying to the north-east of China and to the east of Mongolia, which were conquered and welded into a kingdom during the sixteenth and seventeenth centuries by a Manchu chieftain named Nurhachu and his successors, who finally overthrew the great Ming dynasty and established themselves on the throne of Pekin in 1644. While the Manchus were struggling

[1] Speaking at the dinner of the China Association in London on November 17th, 1903, Admiral Sir Edward Seymour, who commanded the China Squadron in 1900, after stating that Korea was of such vital importance to Japan that we could not blame Japan for any steps she might take, observed: "It appeared to him fairly evident that sooner or later war between Russia and Japan must take place on the question of Korea. He did not expect it just yet, because both nations were a little shy of beginning a war, and each of them would like to throw the onus of doing so on the shoulders of the other." Speaking at the Guildhall on Monday, November 9th, Mr. Balfour stated that he was reassured as to the position in the Far East by the fact that "the Emperor of Russia is a passionate advocate of general peace," and that "our allies of Japan are as certain to show moderation, discretion, and judgment in the demands they make as firmness in carrying those demands into effect." *Times*, October 19th, 1903. *Fortnightly Review*, November 1903, pp. 856-7. "Foreign Office Reports," Annual Series, Nos. 2,995, 2,849.

with China the Russians were settling on the banks of the Upper Amur, and the adjacent regions, which then formed part of Northern Manchuria. This encroachment led to a conflict, which resulted in the Treaty of Nerchinsk in 1689, whereby all the country north of the Amur and south of the Yablonoi Mountains was recognised to be Manchurian territory. "The importance of the Amur region for Russia was little understood at St. Petersburg until Nicholai Mouravieff came into Imperial politics as Governor-General of Eastern Siberia (1847). . . . Responsible for the victualling of certain Russian settlements in Chinese territory on the Sea of Okhotsk and the Sea of Tartary, and needing for this purpose the waterways of the Amur, Mouravieff boldly determined to seize the coveted province in the name of Russia." Mouravieff made his first expedition into the Amur territory in 1851-3. Other expeditions followed, and in 1858 he was able to lay the foundation of the town of Blagovestchensk, as well as of Harbaroffsk, at the mouth of the Ussuri. In this same year he obtained from China the Treaty of Aigun, which surrendered to Russia all the country on the left bank of the Amur.

Two years later, in 1860, Russia obtained, by the Treaty of Pekin, the cession of the maritime province between the Ussuri and the sea. By Article 1 of the Treaty of Aigun the rivers Amur, Sungari, and Ussuri were declared open to navigation by Chinese and Russian vessels only, to the exclusion of all other foreign countries. Manchuria is now, therefore, bounded on the north by the Amur, on the east by the Ussuri, and by a line from the left bank of the Tiumen to the mouth of the Ya-lu River. On the south it is bounded by the Yellow Sea and the Liao-tung Gulf, the only seaboard now remaining to it; on the west by the Chinese province of Chihli; on the east by Mongolia and the Argun River as far as its junction with the Shilka. These boundaries include an area of about

360,000 square miles, divided into three provinces. The most northerly of the three is called Hei-lung-chiang, or "Black Dragon River" province, because the Amur once flowed through it instead of forming its northern boundary as at present. The central province is known as Kirin, and the southern, or Liao-tung Peninsula, as Feng-t'ien. Hei-lung-chiang includes the country between the Sungari on the east and the Argun River on the west. It comprises an area of 190,000 square miles, a large proportion of which is mountainous.

On the west are the Great Hsing-an Mountains, running due north and south from the Amur to Mongolia; and in the centre of the province the Little Hsing-an Mountains run in two ranges, one north and the other east, to the junction of the Sungari and the Amur. The river Nonni, which rises in the western range, is the most important waterway that flows *through* the province. The towns of Mergen and Tsi-tsi-har, the capital, stand on its left bank. It is navigable by large junks up to the capital, and by junks of light draught as far as Mergen. The other smaller rivers are unnavigable, but very important commercially on account of the gold found in their sandy beds. The Sungari is regularly navigated by steamers as far as Petuna. (For navigation on the Amur and Shilka, see page 372.) The mountain ranges of the northern province are covered with forests, and the agricultural area is confined to the river valleys, especially those of the Nonni and Hulan. The steppes of the south-west afford rich grazing-ground to the herds of the Mongols, but much of this land is low-lying and subject to inundation during July and August. Hei-lung-chiang is not a place to which settlers go willingly. The immigrants are mostly criminals, who, if officials, have to do duty on the post roads; if common people, are handed over as slaves to the Manchu inhabitants, or left to find their own living under surveillance. Many of

them escape, and, turning brigands, plunder and terrorise both travellers and inhabitants.

The smallness of the area under cultivation is partly due to the fact that not all the soil is fit for agriculture, a considerable part of it in the northern province being impregnated with soda and other salts. The extraction of this soda is an industry of some importance, and the manufactured article is brought down to Tientsin and Newchwang and exported to China for use in silk-dyeing works. Gold has been found extensively in the basin of the Amur, and probably exists elsewhere also, and this is said to be one reason why Russia is so anxious to retain control over Manchuria. The Mo-ho mines, the best known near the Amur, have been worked under Government control since 1888. Before that time gold-washing was carried on clandestinely, but disturbances arose in 1887 owing to the large number of Russian subjects who crossed the Amur to take part in it. Gold is also found on the banks of the Sungari; but here, as elsewhere, it is little worked, owing to the expense of the armed protection which is always necessary. The forests of Hei-lung-chiang abound with big game and fur-bearing animals; the grassy steppes afford good grazing for cattle, pigs, and sheep; and the rivers teem with fish, particularly a species of salmon called *tamara*.

Kirin, the central province, has an area of about 110,000 square miles. It is divided into three parallel strips by the Sungari, the Hurka, and the Ussuri. The western section is the best developed and cultivated, the middle one less so, and the strip between the Hurka and the Ussuri is the least cultivated of the three. The western part contains the most important commercial mart of Manchuria, the city of K'uan-ch'eng-tzu (population 120,000), which is the collecting and distributing centre for goods passing to and from Northern Kirin and Hei-lung-chiang. The "Ever White Mountain," so called from the

pumice-stone which surrounds its crater, is situated four miles to the south of the capital. It is the reputed birthplace of Nurhachu, the founder of the Manchu dynasty. The province is rich in minerals and metals; gold, silver, and copper, are all worked to some extent, and the Kirin Coal Company has opened coal-mines at the highest navigable point on the Liao River. The mountains are covered with valuable forest trees, and lumbering forms an industry of considerable importance. The great lumber mart of Manchuria is Ta-tung-k'ou, near the mouth of the Ya-lu. Red and yellow pine is also floated down the Sungari to Kirin, where it is used for junk-building. The city of Kirin, or Chu'an-chang (dockyard), is the chief boat-building centre on the Sungari. It has a population of nearly 100,000. It has recently been decided to join Kirin with the main line of railway, and a surveying party left Harbin for this purpose in November 1902. "This branch," according to the *Novoe Vremya*, "is important, both for commercial and strategical reasons; for if our railway did not touch Kirin it would miss the great trading centre of that part of Manchuria. More trading routes pass through Kirin than through any other town in the province. It is a kind of junction for all the commerce of China with Northern Manchuria, Korea, and the Amur regions, and through it pass the main roads leading to Mukden and Pekin, to Korea, and the Russian frontier." Feng-t'ien, the southern province, is the smallest of the three, having an area of about 60,000 square miles; but, owing to its proximity to China, it is comparatively well developed, and as it is now the only part of the country which possesses a seaboard, its importance from a commercial point of view is considerable.

The surface of the province, especially the eastern portion, is hilly. The principal river is the Liao, which rises in Mongolia and falls into the sea at Newchwang. Coal, iron, and gold are all found and

worked more or less. The roads of Manchuria are extremely bad, and the rivers frozen for at least four months of the year; and yet the carrying trade between north and south is enormous. At certain seasons the highways of the southern province are crowded with a ceaseless procession of waggons heavily laden with the produce of the interior. Mr. Hosie mentions having seen at least a mile of carts, three deep, waiting to pass a difficult gully. The towns on the rivers are full of warehouses with great compounds where merchandise is stored when the junk traffic ceases in autumn till the melting of the ice in the following spring. The capital of the province was moved from Liao-yang to Mukden in 1625; Mukden (population 300,000) standing on the River Hunho—which, however, ceases to be navigable ten miles below the city—is the great skin and fur market of Manchuria. The climate of Manchuria is marked by extreme cold in winter and considerable heat in summer. In the northern province the temperature falls to 49° below zero (Fahr.) in winter and rises to 90° in the summer. The south coast, which is warmed by the Korean current, is much milder; while in the port of Newchwang the temperature seldom falls below zero, and in summer rarely exceeds 85°. All water-borne traffic ceases to the north of Newchwang from the beginning of December to the end of March, but the ports in the Liao-tung Peninsula are open all the year round. The rainfall is not large; but as half of it falls during the two months of July and August, the roads and rivers are liable to be flooded. Both waterways and highways again become impassable at the season of the spring thaw, and even the newly constructed railways, though very solidly built, have suffered great damage from inundations.[1]

The population of Manchuria is estimated at

[1] Hosie, "Manchuria," ch. i., v. Noble, "Russia and the Russians," p. 185. "Guide to the Great Siberian Railway," p. 484. *Times*, January 5th, 1903.

17,000,000, of whom not more than some 10 per cent. are Manchus. A few Mongols are scattered over the southern province; but the bulk of the population is Chinese, either immigrants from Shantung and Chihli, or descendants of the Chinese who had settled in Southern Manchuria during the Ming dynasty. All Manchus, to whatever tribe they originally belonged, are now known as Bannermen; they receive a certain amount of military training, and are enrolled as reservists. In return for these services they receive a monthly subsidy from the State sufficient to keep them from actual want, and thus they are deprived of the incentive to individual effort which alone can improve the status of the people collectively. The subsidy, moreover, does positive harm, in that it prevents the recipient from leaving the neighbourhood of the pension office and turns him into a loafer. Less industrious than the Chinese, the Manchus are also intellectually their inferiors, "and the recent replacing in many of the higher offices of the empire of Chinese by Manchus cannot fail to be detrimental to the best interests of the country." The Manchu language, in its written form, was constructed by order of Nurhachu on the basis of Mongol; it is still spoken in remote districts, and efforts have lately been made to revive it, but, generally speaking, Northern Chinese is now the language of Manchuria. Education in Manchuria is much less advanced than in China, and educational facilities are fewer.

The army is composed of "foreign-drilled" Chinese troops and a Banner force, said to number 25,000 and 40,000 respectively. Large quantities of ammunition have recently been imported, and rifles of all kinds are manufactured at the arsenal at Mukden; but the fortified places on the frontier and elsewhere are in a ruinous condition, and presented no obstacle to the advance of the Russians in the recent occupation. Brigandage, of which there are spasmodic outbreaks in the southern province, is a regular profession in

Kirin. The mountains are full of ex-soldiers and outlaws, well mounted and organised, who swoop down upon the villages and caravans. "There can be little doubt that these brigands have agents in the principal towns, who keep them informed regarding the movement of treasure and valuables. . . . Indeed, brigandage has given rise to the establishment of private insurance offices," which undertake for a commission the safe conveyance of goods from one place to another. "It is generally understood that the insurance offices have to pay blackmail to the brigands, as the insurance guards are too weak to resist any determined attack."

Opinion is divided as to whether the Russian occupation has had any effect in suppressing brigandage or not. Early in November 1902 the Chinese Government, with the permission of Russia, sent 1,000 disciplined troops to protect the railway from the attacks of Hunguses. *The Times* correspondent at Pekin thereupon remarked that the Chinese were "confident that they will speedily suppress the brigandage which the Russians during their occupation never attempted to check." A few days later, however, on November 10th, the *Russki Invalid* reported that 700 robbers had attacked the town of Bodune, near Harbin, captured the Governor, and set fire to many houses. The 2nd Siberian Corps thereupon sent a detachment, which entered the town, captured several Hunguses, and executed their leader. The writer concludes: "The inability of the Chinese Administration to cope with the robbers has compelled General Baron Stackelberg to leave a garrison at Bodune until the robber attacks have ceased." It would perhaps not be unfair to conclude that Russia is not over-anxious to suppress disorders which give her so fair an excuse for garrisoning a country of such importance to her interests as Manchuria."[1]

[1] Hosie, "Manchuria," ch. vi. *Times*, October 24th, November 6th, November 10th, 1902.

3. Agriculture and Products

The agricultural no less than the political history of Manchuria begins with Nurhachu. Before his time the inhabitants of the northern and central provinces were hunters and warriors who paid scant attention to the culture of the soil. Only the northern and central provinces were, however, thus backward, for the greater part of the southern province had come under Chinese jurisdiction during the Ming dynasty, and Chinese methods of agriculture prevailed. The cultivation of the other provinces has been effected by Chinese immigrants, who are still pushing northwards. Emigration to the far north has been discouraged by the Government, for fear, it is supposed, of collision with its powerful neighbour across the Amur, and even the east of Kirin was reserved as an Imperial hunting-ground. Of late, however, these restrictions have been withdrawn, the Throne has relaxed its claims, and the agriculturist is penetrating even to Hei-lung-chiang. Probably not more than one-fifth of the whole arable land of Manchuria is at present under cultivation. The colonists are unable to cope with all the land they have taken up, and labourers for spring sowing and harvesting are imported every year from China. More than 20,000 labourers come every year to New-chwang from Chefoo alone.

Agricultural operations are restricted, owing to the severity of the winter climate, to seven months of the year. Ploughing cannot begin before the middle of March, and all crops must be gathered in before the end of October. The soil, however, especially in the central and southern provinces, is fertile in the extreme. A traveller, who returned from Japan to Europe by way of the Trans-Manchurian Railway in July 1902, observed that "maize, poppies, corn, hemp, vegetables, melons, and potatoes, yield luxuriant crops." Passing northwards he found that "waving grasses, studded with lovely flowers, took the place of the

flourishing crops. Cattle and sheep, driven by dark-faced Manchus, dotted the vast and verdant plains." The most important cereal grown in Manchuria is tall millet; its grain forms the staple food of the population and the principal grain fodder of the very numerous animals that are engaged in farm work and in the great carrying trade of the country; its stalks are woven into mats, used in fencing and building, and both stalks and roots are used for fuel. Two other kinds of millet are grown, and together bear a proportion of 30 per cent. to the tall millet. Next in importance as an article of cultivation, and of still greater importance as an article of commerce, is pulse. Beans, with their products, bean-cake and bean-oil, constitute by far the most valuable item in the export trade of the three provinces. Peas are also grown in the south and used as a fermentative in the manufacture of spirit. Barley and wheat both prosper in Manchuria. They are sown in March and harvested in June. Wheat especially is cultivated on the Sungari, within the Hei-lung-chiang and Kirin provinces, and is exported to the Russian province of the Primorsk. Rice also grows well, for, although it has to be sown in dry soil, the abundant summer rains, which often injure the other crops, supply it with the moisture it needs. Manchurian rice costs at Newchwang about the same as water-grown rice imported from the south of China, but costs twice as much as millet, and therefore is not extensively grown. Maize is grown chiefly in the southern province, where it forms a large part of the food of the people; buckwheat is an autumn crop, and can be grown on land from which one harvest has already been gathered.

Three plants are cultivated for their fibre, cotton, hemp, and abutilon hemp; the cotton crop is not large, but hemp of both kinds is widely cultivated and grows well. Abutilon hemp, which is more cultivated than true hemp, is whiter and longer in fibre but less strong. "Sacking and coarse cloth are

manufactured from true hemp, and both fibres are used for making rope and cordage, large quantities of which, as well as of sacking, are required for the enormous cart traffic of the interior. The large leaves of the abutilon hemp are greatly used for the adulteration of tobacco . . . mats of various kinds are made from the outer sheathing of the millet stalks, but still more important are the stems of the reed which grows wild in many parts of Southern Manchuria . . . They are also woven into very large mats for covering the rafters of houses before the tiles are put on." Six oil plants are grown in Manchuria and one dye plant, the dyers' knot-weed, a substitute for indigo. The opium poppy is cultivated throughout the country, but the great centre of production and export lies to the north of the Sungari in the east of Hei-lung-chiang. Comparatively little grain is grown in the north because of the expense of transporting a heavy crop southwards, whereas opium, being less bulky and more valuable, admits of easy carriage. There is a great demand for this opium in Northern China, but no statistics of the amount exported or produced are obtainable. Since, however, the import of opium from India has now almost ceased, it may be concluded that enough is grown to satisfy the local demand and allow a surplus for export. Tobacco is widely grown throughout the three provinces, that of Kirin being the most esteemed. As regards bulk, tobacco ranks next to beans and hemp in the trade of the interior. It is largely exported to Northern China, but in Southern China it is not appreciated. Ginseng, which is greatly valued for its supposed medicinal properties, is indigenous and is found wild in the forests of Kirin. Wild plants are carefully sought for and brought under cultivation, but the root which matures in an entirely wild state is the more valuable. The real wild root has been known to realise a thousand times its own weight in silver, while cultivated ginseng costs only about 7*s.* per for 1⅓ lb.

4. Animal Products and Minerals

The most important animal product of Manchuria is silk. The native silkworm feeds on the oak-leaves (*Quercus mongolica*) of the forest-covered hills of the Feng-t'ien province which face south. The natural conditions of the country are extremely favourable to the production of this kind of wild silk, which, when manufactured, is known as pongee and tussah. The native mode of treating the silk is said to be perfect as regards reeling, but injurious to the silk itself, as it diminishes the strength and elasticity, which are greater in wild than in mulberry-fed silk. Very little silk is actually manufactured in Manchuria, the industry being chiefly confined to reeling the raw silk for export to China. Next in importance to silk come furs. The mountains and forests of Manchuria, especially the Ch'ang-pai-shan and Hsing-an ranges, are tenanted by bears, leopards, sables, squirrels, and tigers. The intense cold of the Manchurian winter makes the furs of all animals very thick and fine. More important, however (to commerce), than the hunting and trapping of wild animals is the farming of dogs and goats for the sake of their skins. Thousands of small dog and goat farms are scattered over the northern districts. Mr. Hosie states that in 1896, 40,723 dog-skin mats and 28,744 rugs, and 9,442 mats and 8,297 rugs of goat-skin were exported from Newchwang. Great numbers of pigs are reared in the northern province and fed on the grain and pulse, which, owing to the cost of transport, would otherwise be wasted. Being well fed, they grow to an enormous size, and the frozen carcases are brought south in carts. The export of pig-bristles, according to Mr. Hosie, is at present much smaller than the great number of pigs reared might supply if due attention were given to this branch of trade. The rivers abound with fish, including the sturgeon and *tamara* salmon, the skin of which is used by a native tribe for clothing.

The full extent of the mineral wealth of Manchuria is not yet known; but gold, iron, coal, and soda, are worked, and silver, copper, and lead, are known to exist. The richest deposits of gold are found on the right bank of the Amur. The best-known mines are those at Mo-ho. The recent abolition of the Government monopoly of gold in Siberia will probably put an end to the extensive smuggling of Russian gold into Manchuria, which has hitherto been carried on. When the Government claimed the right to purchase all the gold mined, and paid less than the market value for it, much Siberian gold was sold to Chinese miners, who easily conveyed it across the Amur. Gold is also found in Kirin, and in two places at least in the Feng-t'ien province; one of these is the richest mine ever found in Manchuria. "The gold is the richest red variety, and commands the highest price of any gold in the market." Thirty miles south of Mukden are the coal-mines of Yangtai. They are under British management, but are the exclusive property of the railway. They produce the best steam coal yet found in Manchuria. The present yield is 150 tons a day, and it is hoped that within another year there may be a daily output of 1,000 tons. Extensive beds of excellent coal are found in the Feng-t'ien province at Liao-yang, and a softer kind has been worked near Kirin by Russian engineers in search of fuel for the Trans-Manchurian Railway. Iron is found to the north of the Liao-yang coalfields and also in the east of the peninsula. In May 1903 an ironfoundry was started near the station of Iman on the South Ussuri Railway to work up the iron ore, which is said to be very abundant in Northern Manchuria.[1]

5. Industries and Trade

Industry has not, of course, reached the same degree of development in Manchuria as in the industrial

[1] Hosie, ch. viii. *Times*, January 14th, 1903. *Board of Trade Journal*, June 25th, 1903.

parts of China, but three industries exist of something more than local importance. The most extensive is the manufacture of bean-cake and bean-oil. Bean-cake, which is chiefly manufactured in the interior, is stored at Newchwang ready for shipment to Amoy and Swatow, where it is applied to the sugar-cane fields as manure. The beans, when crushed, yield on an average 9 per cent. of oil, which is packed in large waterproof boxes to enable it to bear the rough transit by cart, and on arrival at Newchwang the boxes are opened and the oil transferred to baskets for export. The oil is used for cooking and lighting, and is exported by steamer and junk to all parts of China.

The manufacture of salt by sun evaporation is carried on in the low-lying lands of the Liao-tung Peninsula, where a number of creeks penetrate inland. The salt water is run through a series of tanks, the beds of which are specially prepared for its reception. When the water has reached the last tank salt crystallises in forty-eight hours in hot weather, but takes four days in spring and autumn. The average production of a set of tanks for seven months is about 107 tons.

The distillation of spirit from grain is carried on by methods widely different from those of Europe. "The Manchurian method," writes Mr. Hosie, "displays considerable ingenuity of a rough kind, and is evidently the result of prolonged observation and gradual adaptation of means. . . . As in all distillation processes, the making or marring of the work is in the hands of a few skilled workmen, whom long experience has made expert. These men do not allow the inner practical secrets to pass from them easily, as the commanding of a good salary here, as elsewhere, requires that the supply does not exceed the demand, and they are therefore trade unionists to the extent of objecting to apprentices. A first-class distiller has an easy time, and, for a Chinese, an enviable salary." China is the chief market for Manchurian spirit.

The trade of Manchuria, with the exception of a certain proportion which passes north to the Primorsk and Amur provinces,[1] takes in the main a southerly direction. Immense quantities of beans and their products, of hemp, spirit, carcases of pigs, opium, and treasure, are brought from the interior to the coast, there to be shipped to Japan, China, and the West. The rivers, which form the natural means of communication, are frozen for four or five months, and during that time the whole of the produce of the country is carried in carts. "When the waterways are open, overland traffic virtually ceases. . . . In spring, summer, and autumn, a forest of masts line the north bank of the Liao opposite the town of Newchwang, proclaiming that thousands of boats are bringing down the produce" of the interior. "Some years ago it was estimated that 13,000 boats, varying in capacity from $7\frac{1}{7}$ to $14\frac{2}{7}$ tons, were engaged in this carrying trade, and that each boat made on an average eight trips during the season. . . . To-day, owing to the enormous development of trade in Manchuria during the last few years, it may be stated with perfect safety that they number not less than 20,000." The United States Consul at Newchwang stated in his report on the trade of 1902 that the volume of trade in that town had doubled in the last five years.

The only reliable trade statistics formerly available were those collected by the Imperial Maritime, or Foreign Customs, at Newchwang, since the trade done by junks under the supervision of the Native Custom House was not make public. The amount of this trade has, however, been recently ascertained, as far as regards Newchwang, in consequence of the Russian occupation of that port. The Russians took over the native custom and *likin* offices and pubished returns. The figures for native shipping, steamer and junk,

[1] From 80,000 to 100,000 head of cattle are reported to find their way across the Amur to Blagovestchensk annually, and large quantities of wheat go from Kirin to Harbaroffsk.

which the Russian occupation has thus supplied amounted in 1901 to £8,658,849. The ordinary revenue collected by the Imperial Maritime Customs was £111,177, the *likin* collected by the Russian Administration came to £30,112, and the total revenue paid by junks to £64,077. The total revenue of the port for the year was, therefore, £205,366. Beans and their products accounted in 1901 for £2,379,808 of the total export trade (which passed the Foreign Customs), leaving a balance of only some £400,000 for all the other exports together. The total quantity exported, oil and cake together, was 527,538 tons, so that, allowing for a certain consumption in the country itself, the total quantity of beans produced must be at least 600,000 tons. Prior to 1897 gold ranked second in value of the products of Manchuria, but silk, a very rising industry, has now taken its place.

Ta-tung-kou, near the mouth of the Ya-lu River, is now a great silk centre; a small quantity is spun locally, but the greater part is carried to China, principally to the province of Shantung, where it is spun in steam filatures and produces a much higher class of silk. Locally spun silk, known as ordinary tussah, fetches 200 taels per picul; whereas the value of Chefoo tussah is 260 to 310 taels per picul. The total quantity annually produced is not known, but the quantity exported from Newchwang by steamer in 1901 was valued at £144,547, and that from Ta-tung-kou at £149,050. These figures probably represent the bulk of the trade, though not the total export. The export of gold from Manchuria, though possibly it is not all of Manchurian origin, is considerable. The greater part, however, is in the shape of bars of small size and weight, which the owner can easily conceal in his personal baggage and so avoid the heavy treasure freight charge. The total (known) amount exported through Newchwang in 1898 was valued at £149,394; in 1899, at £204,260; in 1900, at £60,308; and in 1901, at

£12,008; the falling off in the last two years being due to the disturbed state of the country. The following table shows the principal exports from Newchwang during the years 1900-1; but it must be remembered that large quantities of goods enter Manchuria duty free at Port Arthur and Dalny, so that the customs returns do not by any means represent the total trade of the country.

Articles.	1900.		1901.	
	Quantity. cwts.	Value. £	Quantity. cwts.	Value. £
Bean-cake	3,466,946	612,761	5,156,547	1,037,935
Beans	2,997,408	683,914	3,778,386	1,131,442
Bean-oil	267,150	200,021	249,032	210,431
Bristles	786	4,517	875	5,660
Hides, cow and buffalo .	6,001	15,016	—	—
Medicines	—	17,862	20,865	24,408
Melon seeds . . .	55,620	32,951	5,489	3,746
Silk, raw, wild . . .	4,992	117,112	7,304	136,667
Silk refuse . . .	4,280	20,643	1,547	7,114

The foreign imports in 1901 amounted to over £2,500,000. The principal goods arriving at the port of Newchwang in direct steamers are Japanese cotton goods and yarns, Indian yarn, Japanese coal and matches, American flour, and Hong-Kong sugar. The coasting steamers carry large quantities of American drills, jeans, and sheetings. These three items formed a third of the total foreign imports of Newchwang. The trade in American piece goods has grown with extraordinary rapidity and has forced English cottons, which are more heavily sized and lose weight in washing, out of the market. Indian yarn comes next in importance to American. The total value of cotton and yarn imported in 1901 was £1,757,295. Woollen goods, which are only worn by the well-to-do, were imported to the value of £18,955. The total value of metals imported was £72,787, the chief item being old iron. The wheels of the carts used in the carrying trade are all bound with massive iron tyres to enable them to withstand

the rough roads of the country, and each cart is drawn by a team of some seven animals; it is, therefore, not surprising that the demand for iron, and especially for horse-shoes, is so large. The imports classed as "sundries" attained a value in 1901 of £688,070.

The mercantile flag was represented in Newchwang as follows: Japan, 261; Britain, 194; Germany, 48; America, 10; Norway, 9; Austria, 5; Russia, 3; and Sweden, 1; so that Russia takes the lowest position but one. The proportion of Manchurian trade which now falls to Russia is, in fact, not large; but Russia has always pursued a far-sighted policy with regard to this country, and it is evidently not her intention that her trade there should always remain at its present low level. Her interest in Manchuria is commercial as well as railway and political. "First, all along the border, especially in the south-east corner of Kirin, there is an immense overland trade in salt, cattle, and spirits. Russia, too, has nearly the monopoly of the fur trade. The sable is mostly found in Hei-lung-chiang and Kirin, and the centre of the trade is at Harbaroffsk, a Russian border town at the junction of the Sungari and Amur rivers. Sometimes the Manchu hunters take the skins to Harbaroffsk; sometimes they are collected by Russian dealers who travel into Manchuria." As the colonisation of the maritime province proceeds, it will depend more and more for its grain supplies on the fertile cornfields of Kirin, and here again Russia will occupy a new sphere of commercial influence. The Manchurian Railway has placed her in a position to command the supplies she requires. The Harbin to Port Arthur Railway passes through Mukden, and not far from Kirin. "At Kirin the inland naval docks and shipbuilding yards are in the charge of Russian officials, and a gunboat commands the river. Coming south we find Russians guarding the Korean frontier and collecting all the taxes there, while a Russian passport is necessary for travel in any part of Manchuria."

On the only bit of coast now left to Manchuria there are three ports. The advance of Russian influence at Port Arthur and Dalny has already been dealt with: "The third port, Newchwang, in the forthcoming phase might prove a thorn in the flesh to Russia," so steps are being taken to secure it also. Newchwang has been a treaty port since 1861, but in spite of the fact that British interests were predominant there, nothing was done to improve its capacity as a port. As soon, however, as Russia took "temporary" possession after the Boxer rising in the autumn of 1900, improvement became the order of the day. Roads, sanitation, lighting, and many other public works have been carried out, and Russia is about to reap the benefit. The introduction of the European-Russian tariff at Vladivostok has, as we have already shown, driven away a considerable proportion of trade to other ports, amongst others to Newchwang. Mr. Archibald Colquhoun, author of "Overland to China," believes that this move is not so prejudicial to Russian interests as at first sight appears. "Newchwang," he says, "is the natural outlet for Manchuria, and will eventually be one of the principal termini of the Trans-Siberian-Manchurian line; so that the forcing of trade through this channel, which seems suicidal on the part of Russia, since Vladivostok is far more Russian than Newchwang, is in reality but one more step in the great game, for Russia intends to make a bold bid for Newchwang."

Even if this final conquest should never be made, it is obvious that with a Russified Manchuria the advantages of the treaty port would be nullified. And the work of "Russification" goes on apace. What "evacuation" means we have already seen; Newchwang has nominally been evacuated, but, apart from the fact that the troops are close at hand, the Russian fleet in the Far East has been largely increased, and is now chiefly to be found in Chinese waters. "The collection of maritime revenues, too, is to be carried on by Russo-Chinese officials, who are to wear Russian uniform, and

will, therefore, appear to the native to be actually the Emperor of Russia's officials." Proclamations were, in fact, issued in August 1901 by the Imperial Controller of Newchwang which assumed a predominating influence on the part of Russia, and were in direct contravention of the rights of a treaty port.[1] *The Times* of September 18th, 1901, stated that the Russian administration at Dalny had refused to permit Americans to build go-downs for the storage of American kerosene, and had also announced the intention of the Russian Government to exclude American oil altogether from Manchuria in the future. The closing of the "open door" in Manchuria is becoming every day more and more apparent. The Japanese find it difficult to travel, and Americans are looked on "with keen suspicion if they venture further than a couple of miles from Newchwang. The Russians refuse to recognise a British passport in Manchuria, and insist that all British subjects travelling in that country must possess Russian passes, which are only procured with great difficulty and considerable delay from Port Arthur." *The New York Times* ascribes the recent decrease of American trade in Manchuria directly to the Russian occupation, and adds: "It is not, of course, to be supposed that we are, in any event, going to fight Russia for our Manchurian trade, but we shall doubtless exercise a highly benevolent neutrality toward any Power whom the Manchurian or Korean situation may bring into collision with Russia."

The prospect of such a collision, which was rendered not impossible by the re-occupation of Newchwang by Russia in April 1903, elicited, as we have seen, emphatic protests from the Government of the United States.

[1] "As this port has now reverted to the control of the Imperial Russian Government, all you who have matters in dispute and the like should bring your petitions to the superintendents or other Government officers, where redress can be obtained and cases settled in perfect justice and impartiality. . . . If, after the issuance of these presents there be found any person disobeying this proclamation, I will punish the delinquent severely, and will exercise no mercy. Tremble! Be most careful! Do not say by-and-by that you have had no notice. A Special Proclamation."

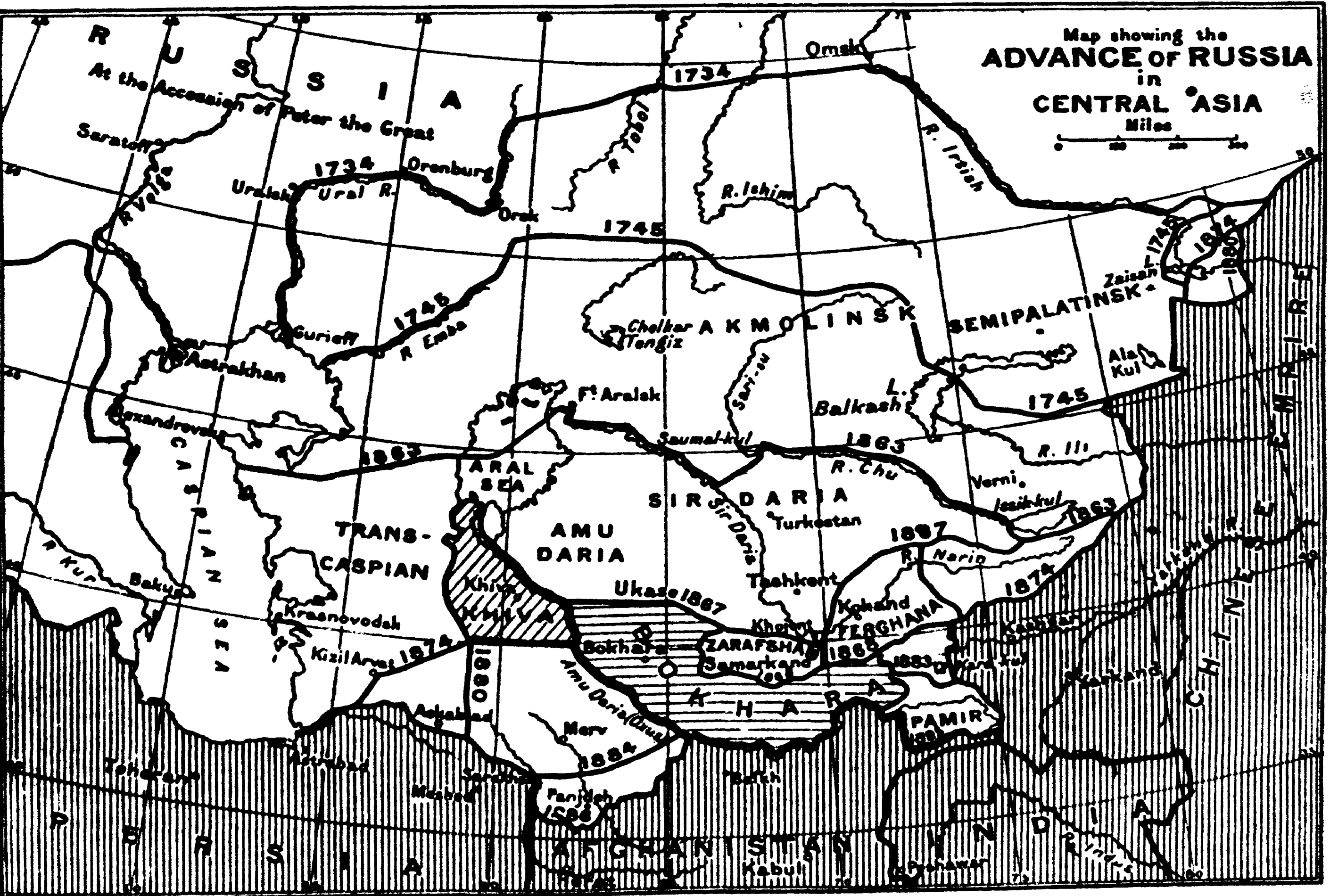
Exclusive concessions to Russia, Mr. Hay said, would contravene existing treaties between China and the United States, injure American interests, and impair Chinese sovereignty. And *The New York Times* on the same occasion, referring to the Anglo-Japanese alliance, said: "While we were not a party to it, it is no secret that our interests and our sympathies were wholly enlisted on the side of its objects. The recent and present performances of Russia give us a fair opportunity to 'underwrite' the alliance, so to say, so that for most practical purposes Russia finds herself confronted with an Anglo-Japanese-American alliance."[1]

B. CENTRAL ASIA

1. Turkestan

The advance of Russia into Central Asia, which has resulted in the acquirement of the vast provinces of Turkestan and Trans-Caspia and in the supremacy of Russian influence in the Khanates of Bokhara and Khiva, may be divided into five stages: (1) 1703-18, (2) 1732-1830, (3) 1834-65, (4) 1866-76, (5) 1879-86. As early as the beginning of the eighteenth century an arrangement between Russia and her neighbours in Central Asia had become necessary on account of the incursions of Mongolian nomads into the newly settled territory of Siberia. The frontier had to be protected, and friendly relations with the Khanates were desirable in view of Russian commercial interests in China. With a view, therefore, to obtaining a footing in the affairs of the Khanate of Khiva, Peter the Great in 1703 sent an embassy to congratulate a new Khan on his accession. The Khan, who was hard pressed by his more powerful neighbour, the Amir

[1] Hosie, "Manchuria," ch. x. "Foreign Office Reports: Trade of Newchwang, 1900 and 1901"; "Trade of China, 1901." *Weekly Times*, September 13th, December 13th, 1901. *Times*, April 5th, August 16th, 1901; August 6th, September 2nd, 1902; May 9th, 1903. *Morning Post*, July 26th, September 20th, 1901. *Board of Trade Journal*, June 11th, 1903.


Map showing the
ADVANCE OF RUSSIA
in
CENTRAL ASIA
Miles
RUSSIA
At the Accession of Peter the Great
Saratoff
R. Volga
Uralsk
Ural R.
1734
Orenburg
Orsk
Omsk
R. Tobol
R. Ishim
R. Irtish
1745
1748
Gurieff
R. Emba
Astrakhan
Alexandrovsk
CASPIAN SEA
R. Kur
Baku
Chelkar
L. Tengiz
AKMOLINSK
SEMIPALATINSK
Zaisan
Ala Kul
Sari-su
L. Balkash
R. Ili
Ft. Aralsk
Saumal-kul
1863
ARAL SEA
R. Chu
Verni
Issik-kul
SIR DARIA
Sir Daria
Turkestan
1867
R. Narin
1874
TRANS-CASPIAN
Krasnovodsk
Kizil Arvat
AMU DARIA
KHIVA
Ukase 1867
Tashkent
Kohand
FERGHANA
Khojent
ZARAFSHAN
1868
1883
Bokhara
Samarkand
BOKHARA
1880
Askabad
Amu Daria (Oxus)
Merv
1884
Panjdeh
PAMIR
PERSIA
AFGHANISTAN
Kabul
INDIA
CHINESE EMPIRE

of Bokhara, welcomed the embassy, and proposed to place his country under the suzerainty of Russia in return for protection against Bokhara. In 1714 the Khan again begged assistance from Peter the Great, this time asking that a chain of forts might be built on the east of the Caspian to protect him against the Turcomans. An exploring expedition under Bekovitch was sent in answer to this appeal. The difficulties it encountered were enormous, but Bekovitch persevered for four years until he was overcome and his force completely annihilated by the Khan's successor, who was suspicious of the designs of Russia. The first stage of advance thus terminated in disaster, and nothing had been gained beyond a suzerainty over Khiva, which was merely nominal.

The second period of advance was opened in 1732 by disputes among the Kirghiz hordes. In this year the Middle Horde gave in its submission to Russia, and in 1740 persuaded the Khan of Khiva to do the same. Russia promised protection in return for submission, and for this purpose Orenburg was fortified. The second stage of advance thus left Russia in possession of a southern outpost well adapted as a centre for caravan traffic and as a basis for subsequent expeditions. The nomads of the steppes, however, still continued their raids, and Russia retaliated by a continual advance of her frontier southwards.

The third stage of conquest was inaugurated in 1834 by Count Perovski, who set about the construction of a chain of forts on his southern boundary, beginning with Alexandrovsk on the Caspian. Four years later an expedition under Perovski was sent to Khiva to obtain the release of Russian prisoners there, to establish trade relations, and to subjugate the Kirghiz tribes. The expedition suffered greatly at the outset from heat and want of water; then, while it waited for reinforcements, winter came on, and after losing a third of his men from cold and exhaustion, Perovski was obliged to retreat. A second expedition was prepared, but it

proved unnecessary, for the Khan, on hearing of its preparation, sent an embassy to Orenburg, together with 400 released prisoners. In 1842 a treaty was concluded by which the Khan undertook never to engage in hostilities against Russia or to permit acts of robbery to pass unpunished. Advantage was taken of the peace thus secured to obtain for Russia a new route southwards by way of the Sea of Aral and the Sir Darya. Forts were constructed to form links in the line of advance fron Aralsk on the coast to Fort Perovski (built in 1858), 250 miles farther up the river. Active operations in Turkestan were interrupted by the outbreak of the Crimean War, and "Khiva for the time was let alone, while, finding themselves free from Russian restraint, the subjects of the Khan returned to their favourite occupations of robbery, murder, and rapine."

On the accession of Alexander II. the Khans of Khiva and Bokhara sent embassies of congratulation, "and their arrival served to remind the Tsar's advisers that much remained to be done in regard to both these rulers." Musaffar-ed-din, the then Amir of Bokhara, had openly sympathised with the Kokandians in their efforts to retake Fort Perovski. In 1860 they moved against the Russians in the province of Semirechensk, who retaliated by advancing against Chimkent. The advance of the Russian columns, however, gave alarm to Great Britain, which had long felt apprehension on behalf of its Indian possessions, and Prince Gortschakoff thereupon deemed it wise to issue a Circular Note to the Powers, explaining the policy which was being carried out, and defending the action of Russia on the plea of necessity. This Note, which was issued in 1864, pointed out the dilemma in which civilised States in contact with wandering tribes are placed. They find it impossible to live in unity with such neighbours, and must establish a system of control or see their frontier a prey to chronic disorder. But when the frontier tribes are subdued, they in their turn are exposed to the aggression of more distant tribes, and

hence the frontier line must be extended until it comes into contact with a regularly organised State, which can maintain order within its own borders. Prince Gortschakoff believed that the protection of her own frontier, and not encroachment upon the territory of others, was Russia's object. To the commanders on the spot, however, perpetual advance seemed the only practical policy. Thus Colonel Chernaieff, learning that a strong body of Kokandians were gathered at Tashkent, immediately marched against them without waiting to be attacked. His first attempt at Tashkent failed, but a second, undertaken in direct defiance of the orders of the Tsar, succeeded in reducing the town, and the third chapter of the Russian advance was complete. In 1865 Turkestan was constituted a frontier district with Tashkent as its capital.

Russia had by this time subdued the whole of Eastern Turkestan, and only the Khanates remained to be dealt with. The struggle was immediately renewed. In December 1865 the Amir of Bokhara assumed the offensive on behalf of the three Khanates, occupied the city of Khojend, and imprisoned four Russian envoys. General Romanoffsky, who was sent against him, encountered him at Irgai, where a great battle was fought in May 1866, and Khojend was retaken by the Russians. A Ukase, signed in 1867, placed Turkestan under a Governor-General, whose authority extended over the provinces of Sir Darya and Semirechensk, the latter including all the territory between the lakes of Balkash and Issik Kul. General Kaufmann, who was appointed to form the government, began by making overtures of peace to the Amir. No reply was vouchsafed, but the Amir instead massed his forces for an attack on the Russian outposts. For this General Kaufmann did not wait, but pushed on to Samarkand, and after defeating the united Khivan and Bokharan host, received the surrender of the city on May 12th, 1868. Kaufmann left a small garrison in the city, and with his main force marched out against

the Amir. During his absence the townspeople introduced reinforcements and for three days closely besieged the little garrison. This act of treachery was punished by Kaufmann on his return by an indiscriminate massacre. The submission of the Amir was complete, and a treaty was signed between Russia and Bokhara on June 18th, 1868, the chief articles of which were the cession of the province of Zerafshan to Russia, the payment of a war indemnity, and the right of trading freely throughout the Khanate to all Russian subjects.

The subjugation of Khiva was the task to which General Kaufmann next turned his attention, and it was not long before the Khivans gave him a pretext for interference. In the year following the conquest of Samarkand the Khivans supported the Kirghiz in an outbreak against Russia, which caused such serious trouble, that it was not till 1872 that Kaufmann was free to direct his whole attention to the Khanate. Rumours of the intended expedition reached England, and occasioned so much anxiety that Count Schouvaloff was despatched to London to explain the intentions of Russia. "The main statement made by the Count, and repeated to Parliament by Lord Granville, was that the sole object of the expedition about to be despatched to Khiva was 'to punish acts of brigandage, to recover fifty Russian prisoners, and to teach the Khan that such conduct on his part could not be continued with impunity.' In regard to the suggested desire of the Tsar to annex Khiva, Count Schouvaloff declared that 'not only was it far from the intention of the Emperor to take possession of Khiva, but positive orders had been given to prevent it.'" In March 1873 an expedition consisting of three Russian columns advanced simultaneously against Khiva. After a short bombardment, and before a final assault was made, the city capitulated, and a treaty of peace was signed, the terms of which were entirely contrary to the declared intentions of Russia as explained by Count Schouvaloff, who subsequently stated that an expression

of intention did not amount to a solemn pledge given for all time. The terms included the cession to Russia of the entire territory of Khiva on the right bank of the Oxus, together with the delta of the river, the payment of a large indemnity, and the relegation of the Khan to the position of a dependent. Kokand, where the people were in rebellion against their Khan, still remained to be pacified. In 1875 an expedition under Kaufmann invaded the Khanate, defeated the forces of the Khan at Makhram, and early in the following year the capital was occupied by a force under Skobeleff. The native forces were defeated in several subsequent engagements, and in March 1876 Kokand was declared a portion of the Russian Empire under the name of Ferghana, with General Skobeleff as its first Governor. The fourth stage of advance had terminated, leaving Russia in possession of the whole of Eastern Central Asia.

After the final subjugation of the Khanates, no power was left north of the Oxus to dispute the supremacy of the Tsar, but westwards, in the direction of the Caspian Sea, lay the home of the fierce Tekke tribes, who had for ages been in possession of the Merv oasis, whence they swept down upon Persia, harrying its northern provinces and selling their captives into slavery. It is unnecessary for my present purpose to do more than mention the campaigns of Generals Skobeleff and Kourapatkine with their crowning victory at Geok Teppe in January 1881. The result was the extinction of the Turcomans as a nation and the confirmation of Russian influence in the Khanates, which could not after this cherish the least hope of regaining their independence. Persia, on the other hand, had every reason for gratitude, for it was delivered from the terrible scourge which had for centuries despoiled its richest provinces. A substantial proof of gratitude was immediately required and given in the permission granted to Russia to lay the Trans-Caspian Railway through country which was still under

Persian sway. Russia further claimed not only the Merv oasis, but the tract of desert to the south, known as the Badghis Desert, which commanded the city of Herat; but this she was only allowed to annex subject to the approval of an Anglo-Russian Boundary Commission, after negotiations which at one time seemed likely to involve war between England and Russia. The labours of the Commission, which were completed in 1886, confirmed Russia in the possession of the Badghis Desert, and brought her southern boundary to within fifty-three miles of Herat. A second Boundary Commission, appointed in 1895 to define the spheres of influence of England and Russia in the Pamirs, contributed still further to mutual knowledge and goodwill—at all events, between those more immediately concerned in the negotiations. But few will be sanguine enough to imagine that the frontier has been finally settled. Prince Gortschakoff's principle as to the subjugation of troublesome tribes is as true for Afghanistan as ever it was for Turkestan. The Baluchs and Afridis are not the peaceable neighbours which Russia desires, nor are our punitive expeditions and other spasmodic methods of dealing with them so radical and complete in their effects as the policy which Russia has pursued in dealing with similar peoples. Without, therefore, raising at this point the question of Russia's intentions with regard to India, it is certain that we cannot reckon for ever on the independent existence of Afghanistan and its use to us as a buffer state. The stimulus which has forced Russia from Orenburg to the Oxus is destined one day to bring the two great civilised Powers which dominate the destinies of Asia into still closer contact, a certainty which must in the meantime determine our policy in dealing with the one nation which still remains between us and our powerful rival.[1]

[1] Skrine and Ross, "The Heart of Asia," Part II., chs. ii.-v. Alexis Krause, "Russia in Asia," ch. iii. Curzon "Russia in Central Asia," p. 271.

The era of Russian conquest in Central Asia has given place for the present to one of consolidation and Russification. The area now subject to Russia stretches from the Caspian Sea to the Chinese frontier, and from Persia and Afghanistan in the south to the Siberian governments of Tobolsk and Tomsk. Excluding the two Khanates of Khiva and Bokhara, Russian Central Asia covers an area three times the size of France. The general character of the country is that of an arid plain depressed in parts below the level of the sea, and surrounded on the south, west, and east, by high mountains. The character of the soil is generally found to vary with the past geological condition of the country. The central plain of Asia was formerly, in all probability, occupied by a great inland sea, of which the Caspian and Aral Seas formed a part. The plain, once the bed of this sea, is still sandy, salt, or argillaceous; while salt marshes are of frequent occurrence, and often form a moving soil, which is carried about from place to place by the wind. The soil at the foot of the mountains is of a rich woody nature and very productive, as is also the alluvial soil on the banks of the rivers or where artificial irrigation is possible.

The chief rivers of Central Asia are the Illi, Chu, Zerafshan, Sir Darya, Amu Darya, the Murghab, and the Heri-rud. All these rivers either lose themselves in the sands of the deserts or flow into inland waters; not one reaches the open sea. Their value, therefore, consists entirely in their use as means of irrigation; as means of communication they are worthless. They are also very irregularly distributed; the southern part of the country and the shores of Lake Balkash are comparatively well watered, but in the north 340 miles of riverless land intervene between the Sir and Amu Darya, while between the Amu Darya and the Caspian there is not a single river or lake. The Amu Darya, from its source in the Pamir Mountains to its mouth in the Sea of Aral, has a course of 1,550 miles in

length, while in many parts its breadth reaches over 1¼ miles, the extent of its basin being greater than the whole area of Italy. The Sir Darya is even longer, and waters a vast expanse of country. In spite, however, of the great volume of water which these rivers bring annually into the Sea of Aral, evaporation goes on so rapidly that the area of the lake is sensibly diminishing. Rivers such as the Zerafshan, which were once affluents of a larger river system, now dry up and lose themselves in the sands before they can join another stream. The Parapamisus range, which forms the southern boundary of Trans-Caspia, is being gradually worn away, and becomes less and less capable of acting as a watershed for the district.

The rainfall is everywhere small and the climate characterised by extremes of heat and cold, though the winter is of very short duration. The whole country is swept by cold winds from the N. and N.E., which so increase the dryness of the atmosphere that in many places the amount of moisture evaporated is largely in excess of the rainfall. At Tashkent and Samarkand it is three times, and in Ferghana seven times as great. The inhabitants are partly of Turco-Mongolian, partly of Aryan origin: the Kirghiz form 26 per cent. of the whole population, Sarts 24 per cent., Uzbegs and Kipchaks 19 per cent., Tadjiks 9½, Russians 4½, Jews, Gipsies, Armenians, etc., 2 per cent. Russian colonisation is being pushed forward by the Russian Government, and in spite of the many drawbacks of soil and climate, villages consisting almost entirely of Russians have been successfully established, especially in the province of Semirechensk, where the Cossack settlements form 10 per cent. of the total population. The western province of Trans-Caspia dates from 1881, when the lands conquered from the Tekke Turcomans and a large portion of what was once Khivan territory were incorporated with the government of the Caucasus. In 1890, however, its steadily in-

creasing importance, due to what Lord Curzon calls "the shifting from east to west of the centre of gravity in the Central Asian dominions of the Tsar," led to its being formed into a separate government under General Kourapatkine. Excepting along the few rivers, and in the line of oases which border the northern slopes of the Kopet Dagh range, the province is a desert, incapable of cultivation and important only for strategic purposes. The area of Trans-Caspia is 214,237 square miles and the population 372,193, or about two per square mile. The seat of government is Askabad. The bulk of the population is still composed of Turcomans, of whom the Tekkes are the predominant tribe. Their scanty numbers cannot increase because each Turcoman head of a family requires, to live with anything like comfort, ten camels, four to five horses, fifty sheep, and two cows, and to feed these 4·3 square miles are needed. Recent attempts to foster Russian immigration have not proved very successful, as the climate is quite unsuited to the Russian constitution.

Trans-Caspia is divided for administrative purposes into five districts, at the head of each of which is a military officer, who is responsible for the executive and fiscal administration. The proportion of crime is high, and varies directly with the density of the population, the chief offences being theft and cattle-lifting. Turkestan, which was formed into a government in 1899, comprises the four provinces of Samarkand, Ferghana, Sir Darya, and Semirechensk. These provinces are administered by military governors with extended powers, and sub-divided into fifteen sub-districts, in which administrative and police powers are assigned to district chiefs. The area of the government is 409,434 square miles, and its population 4,888,183, or twelve persons to the square mile. Reformed tribunals, but without juries, were introduced in 1898. The executive officials are also responsible for the collection of revenue, the principal source of

which is a land tax. Irrigation has been left in native hands, for, though the native system is not scientific, it is based on the results of long observation and is well adapted to its purpose. A special official in each village is entrusted with the care of the waterworks, and, in case of necessity, may call out the entire male population for service on them. Bokhara is still nominally under the sway of a native Khan, but a Russian Resident at the capital represents the suzerain power. The army, which in the days of independence numbered 50,000 men, is now a fifth of its former size, and further reductions are contemplated. Russian law is administered as modified by local custom. Barbarous modes of treating prisoners and criminals are still in use, with which the Russians have made no attempt to interfere. The post and telegraph services are in Russian hands.[1]

The ascendency of Russia in Central Asia is a fact of permanent importance. The vast regions which have been annexed are administered at great cost to the Imperial Treasury, but there is no thought of abandoning them, for this or any other reason. Russian rule is quietly accepted by the conquered peoples; it is, in fact, preferred to the caprices of native rulers; but this does not prevent Russia from maintaining an immense number of troops throughout her Asiatic dominions. Lord Curzon remarked, when he visited Central Asia in 1888, that the whole country bore the aspect of one huge camp. Russian soldiers were everywhere, Russian civilians were but rarely met with; "the traveller comes away with respect for the discretion, but without much surprise at the peaceful attitude, of the people." The violence with which the Russian conquest was attended, and the strength of arms with which it is now maintained, prevent the conquered peoples from cherishing the least hope of regaining their independence.

[1] Semenov, "La Russie extra-Européenne et Polaire," pp. 11-140. "Statesman's Year-book," 1903, p. 1002. Krause, "Russia in Asia," ch. i. Skrine and Ross, "The Heart of Asia," ch. vii.

Peace and submission to Russia are therefore assured conditions in Central Asia, but not merely because of the superiority in arms of the conqueror; the subtle instincts of race play their part in the work of Russification. The conquest of Turcomans by Russians is a conquest of Asiatics by Asiatics; the dishonesty, craft, and impassivity, of the Oriental, which erect so powerful a barrier between ourselves and our Indian subjects, are qualities recognised by Russians as natural and normal; they excite no aversion, and form, in fact, a ground of mutual understanding. Russia is, of course, far more advanced in civilisation than her new subjects, and her rule has been an immense gain, not only to them, but, through them, to the whole civilised world. "Official Russia does nothing without an object," says Herr Rohrbach, "and the fruits of the massacre of Geok Teppe have benefited not only Russia, but civilisation in general. This much justice compels us to acknowledge." The slave raids which filled the prisons of Samarkand and Bokhara with captives who languished in torment for years are now entirely suppressed; the country has been pacified and opened up: beyond this Russia has not hitherto effected much. The Trans-Caspian Railway, which will be considered further on, is a gigantic undertaking; but its primary object was strategic. It was not intended for the benefit and development of the country, though commercial activities have been greatly quickened by it. Of far more importance than railways in these rainless countries is the question of irrigation. "Between the Hindu-Kush and the Caspian," according to Rohrbach, "civilisation is simply a question of irrigation"; and in this respect Russia has left the countries she has annexed or protected much as she found them. Projects for diverting the Oxus (Amu Darya) to its old bed, which seemed to promise fertility to the whole Trans-Caspian province, have been abandoned on account both of the risk and expense involved. No attempt has anywhere been

made to establish irrigation works on a large scale and on modern scientific principles.

The attempts of the Russian Government to induce settlers to go from Europe to Trans-Caspia and Turkestan have met with very moderate success, and it seems improbable that they can ever afford an outlet for the surplus population of European Russia. The benefit which Russian conquest has conferred upon these lands is rather in paving the way for their own internal development, and in removing the obstacle which they formerly presented to the peace and security of their neighbours. The volume of trade has already largely increased, and a beginning has been made in the education of the people. "Any native boy (at Tashkent), who wishes to learn, can attend one of the gratuitous schools in the native quarter where Russian is taught." An administrative order issued in 1897 made a knowledge of Russian compulsory on all candidates for the posts of *volostnoi* and *kazi*. Mr. Henry Norman, however, when visiting Tashkent in 1901, found "very few native boys" in attendance at the Technical School, and priestly influence has everywhere been exerted against the spread of any save religious (Mohammedan) education.[1]

Agriculture is necessarily confined to the irrigated portions of Turkestan, and these do not exceed 2½ per cent. of the whole country. The province of Ferghana is the best, Samarkand the least, watered district. The area of watered land, though small in proportion to the total, is not in itself insignificant, as it reaches 4,212,000 acres, or 1·35 acres per head of the population. The area of irrigated land in the Khanates is not known, but is probably about one-half of that in the provinces of Trans-Caspia and Turkestan. Agriculture is not, however, confined entirely to irrigated regions; *bogarny*

[1] Semenov, "La Russie extra-Européenne et Polaire," pp. 111-40. Curzon, "Russia in Central Asia," ch. vii. Krause, "Russia in Asia," ch. i. Skrine and Ross, "The Heart of Asia," chs. vii. and x. Rohrbach, "In Turan und Armenien," p. 155.

fields are very general, and yield a good supply of grain, chiefly of spring wheat. The name *bogarny* is given to all sowings on non-irrigated lands which may be expected to receive sufficient moisture from the rainfall to ripen a quick-growing crop. If the area of *bogarny* fields be added to that of the irrigated land, the total amounts to about 6,102,000 acres of cultivated land, giving an average per head of about two acres. Holdings are generally divided into gardens near the dwelling of the occupier and fields at a distance from it. No regular system of rotation of crops is practised, but, generally speaking, cereals are grown alternately with root crops, as custom and convenience dictate. Where water and manure are abundant the land is sown continuously; where they are less easily procurable the three-field system is often adopted. The fertility of the loess soil is extraordinary, far surpassing that of the black mould of Russia. This is partly due to the depth of the stratum, and partly to its power of decomposing the mineral matter contained in the irrigating water. The settlement on the fields of the wood dust, with which the air of Central Asia is charged, forms a natural manure and adds greatly to their fertility. The differences of climate between the low-lying oases and the slopes of the mountains allow a large variety of crops to be cultivated.

The principal cereal is wheat. Winter wheat is grown by the settled inhabitants on watered fields, and spring wheat is raised by both the settled and nomad population on *bogarny* fields. Barley is grown in large quantities, and forms the principal food for horses. Rice is grown in low, warm localities where water is abundant, and is much used in the preparation of *pilau*, the favourite dish of the country. Other grains are millet, sorgo, rye, and oats. Precise returns as to the quantity of the crops harvested are not available; approximately the total yield of grain in Trans-Caspia and Turkestan is reckoned at 1,198,990 tons on an average; of this 634,475 tons are wheat, 286,475 tons

rice, 191,050 tons barley, and 132,000 tons other grains. As barley is used almost exclusively for horse fodder, and a certain proportion of the other crops must be deducted for seed, it will be seen that the total output is not sufficient for the wants of the people. The lack of grain is partly compensated by abundance of vegetables and fruit, but in Trans-Caspia it is necessary to import corn, which comes from Russia, Persia, Khiva, and Turkestan. The nomads everywhere are accustomed to dispense almost entirely with grain foods.

The chief oleaginous plants are sesame, flax, saffron, poppy, and the castor bean, the first of which is the most widely grown. Of fibrous plants, cotton, which has been cultivated in Central Asia for centuries, is by far the most important. The native kind produces a coarse short fibre similar to that of Indian cotton. Since the Russian conquest American upland cotton has been introduced, and is now perfectly acclimatised. At the present time more than three-fourths of the cotton grown in Turkestan is upland cotton, and its quality is as high as the "middling" and "good middling" growths of the United States. The acreage under cotton in Turkestan in 1887 was 164,780 acres; in 1893 it had risen to 370,000, and in 1895 to 469,800 acres, yielding over 840,000 cwt. of purified cotton. In 1901 the area under cultivation was considerably extended owing to the great demand in Russia for Asiatic cotton, caused by the high price of imported cotton. In this year of high prices, when raw cotton (spot) rose from 7 roubles to 11 roubles the pood, the area under cultivation in Ferghana increased 30 per cent. In 1901 the area, which still continued to increase, in all Central Asia was 407,400 dessiatins (1,099,980 acres), of which 40,000 dessiatins were in Khiva and 60,400 in Bokhara, but the crop left much to be desired both in quantity and quality. In spite of the increased area, the yield was 29 per cent. less than that of the preceding year, the estimated

production in 1901 being 5,495,300 poods (8,863 tons), as against 7,638,200 poods (12,352 tons) in 1900. In 1902 the losses of the previous year produced their effect in reducing the cotton area from 20 to 25 per cent. This decrease was mainly due to the fear of locusts, which in the previous autumn had deposited eggs in large quantities, partly also to the rise in the price of grain consequent on the conversion of so much of the former corn area into cotton land.

The return per acre varies according to the locality. In Ferghana the crop averages 60 poods of raw cotton per dessiatin (about 2½ acres), at Merv 50 poods, and at Tashkent 30 poods. One pood (36 lb.) yields, however, only about 9 lb. of pure cotton, so that the most fertile cotton land of Turkestan yields only some 540 lb. of pure cotton per dessiatin, while the same area in America gives from 792 to 1,080 lb. Large as the present crop is and rapidly as it has increased, it still satifies only about one-third of the demands of the Moscow manufacturers, who hope eventually to obtain all the raw cotton they require within the limits of the empire, and thus dispense entirely with cotton imported from the United States and from Bombay. One object of the new line of railway between Orenburg and Tashkent is to import Siberian wheat in such quantities that all available land in Turkestan may be set free for raising cotton. It is in Turkestan that any extension of the cotton-growing area must take place, for cotton is a crop that requires to be heavily irrigated, and in Trans-Caspia the water supply is steadily decreasing. The cotton district of Turkestan lies beyond Samarkand, along the eastern branch of the railway to its terminus at Andijan. Cotton-growing is essentially an object for *petite culture*; plantations have been tried, but without success, and few cultivators devote more than three-quarters of an acre to this crop. In spite of fluctuations in prices, it is generally very remunerative, both to the owner and to the labourer, who receives from

60 to 70 kopeks a day compared with 17 kopeks ten years ago.

Tobacco is grown in small quantities for home consumption. Attempts have been made to introduce American and Turkish tobacco; but, though the quality is found superior to the best Russian tobacco, as yet the cultivation is confined to a few Russian planters. Lucerne-clover is largely grown and forms the chief fodder in use throughout Central Asia. Dry fodder is of special importance, because in the regions inhabited by a settled population there are no meadows. The cultivation of vegetables is widespread, and is brought to a high degree of perfection. Fruit is also grown in abundance, the principal kinds being melons, apricots, and peaches. The two latter are dried in a primitive manner in the sun in quantities sufficient for exportation to Siberia and Russia, but their quality is inferior to stove-dried European fruits. Fruit culture in general, and the preparation of dried fruit in particular, might, and no doubt will, be greatly developed in Turkestan. Grapes, before the Russian occupation, were used only for the manufacture of raisins, but now wine is made at Samarkand and Tashkent by Jews and Armenians, who have the monopoly of the manufacture. The cultivation of silk is carried on, but in the most primitive and slovenly manner. Frequently the eggs are wrapped in a cloth and carried about by a woman (on her person) until they are hatched. The breeding process is thus a protracted one, and the crop of cocoons meagre. The yield has, nevertheless, been adequate to the demand made by home consumers, who were satisfied with silk of a poor quality, and it has even sufficed for exportation to Russia. New processes have been lately introduced, the quality of the silk improved, and it seemed that the industry was in a fair way to become flourishing, when it was attacked by silkworm rot, and between 1880 and 1885 the export reached its lowest point. The Russian Government did its best to retrieve this

misfortune by introducing healthy eggs, 8,580 lb. of which, valued at 500,000 roubles, were imported in 1896.[1]

The forests of Central Asia are confined almost entirely to the slopes of the mountains, and, therefore, cover a comparatively small area. The steppes are in places covered with low bushes, and plantations are to be met with in the watered oases. The mountain forests are of the highest importance as preservers and distributors of rain. They not only serve to fix the loose soil and preserve it from being worn away by wind and water; they also regulate the influx of water to the rivers and protect their sources. In times past the forests were barbarously thinned and wasted, but now the Russian Government is taking measures to prevent further devastation. Wood is largely used for fuel, and for making charcoal. The mountain trees also furnish considerable quantities of wild fruits, of which the walnut is the most valued, both on account of its nuts and wood. The brushwood of the steppes is no less valuable than the mountain forests in fixing the soil and preventing the formation of those moving sands which are the scourge of certain districts; the wood itself is too small for any use except fuel, and even for this purpose large surfaces have to be cleared before any considerable quantity can be collected.

As agriculture is, in general, the occupation of the settled population, so is cattle rearing that of the nomads, though this is not entirely true of either class, for the agriculturist maintains a relatively large number of cattle, and the nomad is not infrequently obliged to cultivate some cereal, such as barley or millet, and sometimes even wheat. Herds and flocks form, however, the main subsistence of the nomads, whose livelihood is, therefore, very precarious, as animals

[1] Curzon, "Russia in Central Asia," p. 406. Semenov, "La Russie extra-Européenne et Polaire," pp. 140–58. "Industries of Russia," vol. iii., pp. 444–63. Skrine and Ross, pp. 386–8, 400. *Board of Trade Journal*, December 13th, 1900; January 24th, August 22nd, 1901; March 27th, July 10th, 1902.

frequently perish in large numbers from hunger during the glazed frosts (*verglas*), which cover the whole surface of the steppes and bury every blade of grass. Twenty-five years ago the conversion of nomads into permanent colonists was unheard of, but of late years many causes have combined to render it of frequent occurrence. The security engendered by Russian rule, cattle diseases, the encroachments of the increasing settled population, the advent of the railway—all have tended to lessen the area of pasturage, and hence to reduce the number of nomads. Turkestan and Trans-Caspia together possess 866,000 camels, 1,540,000 cattle, 1,700,000 horses, 95,000 donkeys, and 15,280,000 sheep and goats; so that for each hundred inhabitants there are 16 camels, 30 cattle, 32 horses, and 290 sheep and goats. The horses are chiefly of two breeds—the Turcoman and the Kirghiz, the latter of which is gradually replacing the former. The sheep belong chiefly to the fat-tailed breed, which has already been described. The railway has had an appreciable effect in diminishing the number of camels, but even now they continue to afford the chief means of transport over the steppes and deserts. A small store of winter provender is laid up for them, as, unlike the hoofed animals, they are unable to scrape up food from beneath the snow.[1]

British consuls are not allowed to reside in any part of Russian Central Asia, and hence there is great difficulty in obtaining reliable trade statistics, as all information must be derived from Russian or from unofficial sources. Industry on a small scale has reached a high degree of development in Turkestan, owing to the fact that for so many ages the country was entirely closed to the outer world and forced to be self-supporting. The thirty years of Russian occupation have of course produced a change in this respect

[1] Semenov, "La Russie extra-Européenne et Polaire," pp. 158-64. "Industries of Russia," vol. iii., pp. 463-70. "Foreign Office Reports," Miscellaneous Series, No. 409.

by opening the market to foreign imports, and by fostering the export of certain manufactures, but still small industries are widely spread and preserve much of their primitive character. The smallness of these small industries is their distinguishing characteristic. Thus, the 3,100 oil mills of Ferghana produce each an average value of not more than 90 roubles. The most famous of home industries was once the manufacture of the native carpets, so much prized for the beauty of their design and colour, but of late years, under the influence of the demand from America and Europe, they have greatly deteriorated, and good carpets are now both rare and expensive. All kinds of woollen goods required for clothes and household utensils are made by the settled population, who obtain the raw material in part from the nomads. Silk embroideries on cloth are remarkable for the originality of their designs. Cotton goods are also still made to some extent in the old way, though this branch of industry is hard pressed by the produce of Russian looms. The native looms are worked by hand, and the largest can turn out muslin nearly four yards wide. The wholesale price is 13*s*. 6*d*. for ten pieces with an aggregate length of ninety yards.

The cleaning of cotton is the most important branch of industry in the country. The four provinces of Trans-Caspia and Turkestan (excluding Semirechensk, where cotton will not grow) contained, in 1899, 136 cotton-cleaning factories in which water power, steam or petroleum engines were used. The total number of factories of all sorts in Turkestan, as given in "The Statesman's Year-book" for 1903, is 359, only twenty-five of which employ steam power, and the total number of hands engaged in them is only 6,295—figures which show that manufacturing industry is as yet in its infancy. Considerable progress has been made in viticulture since the Russian occupation, and the area under vines in Samarkand, where the best vineyards are situated, has trebled. In 1898 it had reached

15,000 acres. The output per acre is 184 cwt., as compared with 40 cwt. in the Caucasus, and the cost of cultivation is also proportionately less. The bulk of the fruit is dried and exported as raisins, no less than 7,300 tons of which were sent to Russia in 1896. Both wine and brandy have been made since the coming of the Russians, and about 155,000 gallons of each are manufactured annually. As the native population is debarred by its religion from drinking wine, this commodity can only be bought by the Russian residents or exported.

The mineral resources of Central Asia are almost entirely untouched. Salt is worked to some extent, and naphtha; while sulphur and glauber salts are known to exist. The naphtha springs of the Ferghana district were first worked soon after the Russian occupation, but in the absence of means of transport and of capital the effort was abandoned. A fresh impetus was given by the opening of the railway from Samarkand to Andijan, and since April 1901 the works have proceeded successfully. Although it is very difficult to quote precise figures, it is evident that the trade of Central Asia is rapidly increasing, and that it is carried on almost exclusively with Russia. English goods, which once almost monopolised the bazaars, are now entirely excluded. The British Consul at Novgorod, on the occasion of the exhibition there in 1896, noticed even then that everything tended to prove how independent Russia had grown, and how surely we were being supplanted in the Far East. Bokhara still imports from India tea, indigo, and a few other articles which cannot be got elsewhere, as well as some English manufactures; but Russia is aiming at the destruction of the tea trade by importing China tea *via* Batum, and the Trans-Caspian Railway has enabled Moscow manufacturers to flood the market with cheap Russian wares. At present the imports of Bokhara are in excess of its exports, and it may be that the same unfavourable balance exists in the other

provinces of Central Asia. Time and money will be needed to develop the resources of the country and to restore equilibrium. The cotton and silk industries are undoubtedly capable of much greater extension, and so especially is the preparation of dried fruits, which, if better cleaned and dried in ovens, might compete with those of France and Southern Europe.

In Trans-Caspia, where there can be no great extension of irrigated land, cattle-breeding and its subsidiary industries might afford a wide field for commercial operations. Even in its present backward condition, Turkestan provides a considerable portion of the raw material—cotton, hides, and wool—required by Russia for her manufacturing industries, and imports annually from Russia manufactured goods to the amount of 11,785 tons, as well as sugar, timber, iron, petroleum, naphtha, grain, and flour. A large trade is carried on with Persia; in 1897 the exports of Turkestan to Persia amounted to 3,700,000 roubles, and the imports to 8,200,000. The exports to Afghanistan for the same year amounted to 480,000 roubles, the imports to 1,600,000 roubles. There is also a large transit trade in Russian goods through Turkestan to China, the exports amounting to 4,000,000 and the imports to 5,000,000 roubles in 1897.[1]

The great railway, which now extends from the right bank of the Caspian almost to the confines of the Chinese Empire, owes its inception to the necessities of an army in the field. When General Skobeleff took command of the war against the Turcomans in 1880, he pointed out to General Annenkoff that a railway formed the only sure means of transport for munitions of war. Annenkoff accordingly secured the necessary materials, and a light line on a narrow gauge was laid immediately from Krasnovodsk to a point

[1] Semenov, "La Russie extra-Européenne et Polaire," pp. 164-74. "Industries of Russia," vol. iii., pp. 470-71. H. Norman, "All the Russias," ch. xviii. "Foreign Office Reports," Miscellaneous Series, 1896, No. 409. *Board of Trade Journal*, June 5th, 1902, p. 458; May 14th, 1903, p. 321. "Statesman's Year-book," 1903, p. 1033.

thirteen miles inland. With the fall of Geok Teppe and the complete subjugation of the Tekkes, the question of laying a permanent railway was raised and ultimately decided upon. By 1886 the line reached Merv, 487 miles from the Caspian, and was then continued, with wonderful skill and patience, across the moving sandy waste between Merv and Charjuy on the Oxus (Amu Darya), across the swift-flowing river, which was spanned by a wooden bridge more than two miles in length, on to Samarkand, a distance of 880 miles from the Caspian, which was reached in 1888. Here a pause was made for eight years, until, in 1896, a prolongation to Tashkent and Andijan, 335 miles in length, was begun, and completed in 1899. The whole journey may now be accomplished in two and a half days without leaving the train. A further distance of 192 miles has been covered by the extension from Merv to Kushk, which brings the line up to the very frontiers of Afghanistan, and makes its total length 1,374 miles.

The much-discussed connection with the Siberian Railway has in the main taken the direction desired by General Annenkoff. In October 1902 the construction of a line connecting Orenburg (which is itself joined by a branch to the main line of the Siberian Railway) and Tashkent, a distance of 1,100 miles, was inaugurated, and a further extension from Tashkent to Verni is in contemplation. On the completion of this line, Turkestan will be united on the one hand with Orenburg, and thence with Moscow, and on the other with Siberia, the natural market for most of the products of the country.

The Trans-Caspian line, confessedly designed to serve a purely strategic purpose, and never deflected a mile from its predestined course in order to serve the interests of any centre of trade or population, has nevertheless proved to be of quite unexpected commercial importance. It has made possible the immigration of Russian colonists, and has been the means of

introducing the modern system of industry into a country sealed for ages to all external influence. As a mode of transport for merchandise it has been most successful, and, as Messrs. Skrine and Ross point out, one reason for this unlooked-for result lies in the fact that it follows the old trade route by which "the silks, sugars, and stuffs of India and China were poured into Europe during the ages illumined by Greek culture and moulded by the governing instincts of Rome." Modern commerce, when once the opportunity was given it, was not long in reverting to the old paths. The wool and cotton of Turkestan no longer reaches Moscow by camel caravans; tea, which used to pass through Afghanistan, is now shipped from Bombay to Batum, and carried by rail to Baku, whence it crosses the Caspian to Krasnovodsk and completes its journey by rail. In fact, the recent growth of the cotton industry in Bokhara and Ferghana is largely due to the increased facilities of transport afforded by the railway. In 1902 kerosene from Batum was for the first time sent to Afghanistan by way of the Trans-Caspian line as far as Charjuy, whence it was conveyed to Kerki, on the Afghan frontier. The passenger traffic is also considerable. "One of the most remarkable results of the railroad is the effect it has had on the caravans which every year wend their way from all parts of Asia to Meshed. . . . Soon after the completion of the line Annenkoff caused a number of notices, printed in native dialects, to be posted at the various stations, as well as in all the towns of Central Asia, offering to pilgrims at nominal fares a passage to Astrabad, the nearest point to the Holy City. The result was surprising, and the venture proved so successful that whole trains are each spring crowded by pious Mussulmans, who have abandoned the time-honoured ship of the desert in favour of the iron steed." In 1897 the total movement of goods on the railway was 249,000 tons, and the net receipts £615,000. In the following year the tonnage had

increased to 892,000 tons, about one-third of the total carried on the Siberian Railway. These figures show therefore that, although the commercial results of the railway have exceeded the modest expectations of its promoters, it is not yet a paying concern.[1] That it might eventually become so was plainly the hope of the Government when, in 1899, its administration was transferred from the Ministry of War to that of Ways of Communication. At that date the route of the line which was to connect the Siberian and Trans-Caspian railways was still undecided. It has since, as we have seen, been settled in favour of Orenburg and Tashkent, a direction which cannot fail to affect the carriage of goods on the Trans-Caspian. Whether the loss to the older line will be as serious as is sometimes predicted, it is of course impossible to say; but it seems highly probable that the cotton of Turkestan proper and of the Khanates will prefer the more direct route; and this cotton forms no inconsiderable proportion of the present total tonnage of goods on the Trans-Caspian. But, whatever may be its fate as an aid to commerce, the main purpose for which it was constructed will remain unaltered. The Trans-Caspian was in its inception, and must always continue to be, of importance chiefly from a strategical point of view. It enables Russia to hold securely all that she has won in Central Asia, and it gives her the means of advance whenever the right opportunity occurs. The western section of the line skirts the frontier of Persia, and dominates the province of Khorassan, while the extension from Merv to Kushk brings a Russian railway terminus within fifty-three miles of Herat, and so places the dominions of the Amir of Afghanistan within easy reach of a Russian

[1] According to *The Board of Trade Journal* of March 12th, 1903, a French engineer has been instructed to survey for coal in Russian Turkestan, between the Amu Darya and the Pamir Plateau. The Russian Government is stated to be desirous of utilising for the service of the Trans-Caspian line the coal existing in that region, instead of petroleum brought at great expense from the Caucasus.

army. The intentions of Russia in this respect may be gathered from the fact that at the present terminus piles of rails are lying stored as if only waiting till the command to extend the line should be given. The eastern terminus at Andijan comes close to the foot of the Chian-Shan Mountains, which form the natural boundary of the Chinese Empire, so that all along the line Russia has taken up her position and waits. An extension of the Merv-Kushk Railway, which should connect it with the railways of Northern India, has already been seriously discussed. Such an extension would provide Russia with one more of those coveted possessions—an outlet to the open sea. With access to the Arabian Sea Russia would be in a position to dominate South-east Persia, and to outflank Great Britain on the Indian frontier. The line would offer undoubted advantages to the traveller, whose journey to India would be shortened by ten days; but the possible political consequences are of such overwhelming magnitude that considerations of mere convenience cannot for a moment be allowed to weigh against them. The undertaking would, of course, be the subject of international agreement, and Lord Curzon probably expressed more than a personal opinion when he hoped that none of the parties concerned "would for a moment entertain an idea so speculative in its inception, so problematical in its issues, so perilous in the lateral contingencies to which it might give birth."[1]

The rivers of Central Asia, as before stated, are of very small account as means of communication. Steamers indeed ply for short distances on the Amu Darya, but the one important waterway of the country is the Caspian Sea, which now has a service of steamboats crossing it at several points, the principal route being from Baku to Krasnovodsk. The interior of

[1] "La Russie extra-Européenne et Polaire," pp. 172-3. "Statesman's Year-book," 1901, p. 1015. Krause, "Russia in Asia," pp. 198-208. Curzon, "Russia in Central Asia," p. 269. "Foreign Office Reports," Annual Series, No. 2,979 (published 1903).

the country remote from the railway depends for its communications almost entirely upon roads, in which term are included bridle paths and tracks passable by camels, as well as highways. The chief highways are those from Tashkent to Orenburg and from Tashkent to Verni and onwards through the Siberian province of Semipalatinsk to Omsk. The former is a post road, the latter a highway of commerce. Caravan routes cover the country in all directions, penetrating the defiles of the mountains, and facilitating the exchange of produce between Turkestan and China, Persia and Afghanistan. The transport of merchandise is almost entirely effected by camels, "long files of which proceed to the sound of their own neck-bells with slow and steady step over thousands of versts, keeping within reach of wells and browsing on the thorny herbage of the steppes."

2. Afghan Frontier Questions

The precise limits of the dominions of the Amir of Afghanistan, where these impinge upon the southern frontier of Bokhara, the Turcoman desert, and the Persian province of Khorassan, have long been a subject of dispute. The question became of importance to Russia thirty years ago, when her subjugation of the Khanates of Khiva and Bokhara made what was practically the Russian frontier conterminous with Afghanistan. In 1872 the British Government, through Lord Granville, expressed its opinion that (1) Badakshan, with its dependent district of Wakkan, and (2) Afghan Turkestan, as far as Khoja Saleh, were the undoubted possession of the Amir of Kabul; and Prince Gortschakoff replied that though Russia had always regarded Badakshan and Wakkan as enjoying a certain independence, she "did not refuse to accept the line of boundary laid down by England: she was the more inclined to this act of courtesy" because the English Government had engaged to use its influence

to induce the Amir to maintain a peaceful attitude. The conquest of Khiva, however, paved the way for the subjugation of the Tekke Turcomans, and in 1881 Russia was established at Merv, had occupied Sarakhs, and claimed the Penjdeh oasis to the south of Merv. Sarakhs was a place of exceptional importance, commanding as it did the roads to Merv, Herat, and Meshed; while the fertile district of Baghdis, which lies to the south, fitted it to serve as a base of operations for a long campaign. The Afghan frontier, however, which had been agreed upon between Lord Granville and Prince Gortschakoff in 1872, followed an imaginary line drawn from Old Sarakhs to Khoja Saleh on the Oxus, and thus excluded Russia from the oasis and the fortress which she claimed on the strength of her conquest of the Sariks inhabiting the oasis.

So inconvenient a boundary could no longer be tolerated, and Russia immediately began to raise objections to it and to demand a reconsideration of the whole question. A joint Boundary Commission was therefore appointed in 1884, headed by Sir Peter Lumsden on the one side and by General Zelenoi on the other. The British agent advanced to the place of meeting at the head of 300 men; the Russian Commissioner, wishing to temporise, retired to Tiflis, and kept Sir Peter Lumsden waiting for months after the appointed time. While diplomatic arrangements were thus brought to a standstill, parties of Russian soldiers invaded Afghanistan and occupied Pul-i-Khatan, a place more than thirty miles south of the Russo-Afghan frontier. This incident appeared to be nothing less than a declaration of war, for the territories invaded were an unquestioned part of the dominions of the Amir, the integrity and independence of which Great Britain was pledged to maintain. Diplomacy was in the end successful in averting the crisis, but not without the sacrifice to Russia of the Penjdeh oasis, which had previously been recognised as a part of Afghan territory. It has been stated that the security which has reigned

in this district since the days of the Commission has more than recompensed the tribesmen for the loss of territory which was theirs only in name; but the fact remains that Russia succeeded in making good her claim to new spoils. Colonel Yate, who was a leading member of the Boundary Commission, when revisiting the district twelve years later, remarked with pleasure on the good work done by the Commission: "It has been supposed by some that we lost territory for the Amir by the giving up of Penjdeh, but the tribesmen took a very different view. According to them, miles and miles of land along the Herat frontier, which none of them had ever seen or heard of before, had been recovered for them by the Commission"; and doubtless the territory of the Amir is safer, and therefore practically larger, in spite of its actually diminished area, since the Turcoman raiders have been brought under Russian rule.

The frontier as laid down by the Commission in 1885 was subjected to a slight alteration two years later, when the Amir of Bokhara ceded to the Afghans the rich pastures on the left bank of the Amu Darya, south of Khoja Saleh. Another debatable land existed to the south-east of the Russianised Khanates, and there also Russia in 1889 sought to make good her claims. The Pamir plateau, at a height of some 12,000 feet, marches with the limits of Bokhara, Kashgaria, and Chitral, and is so inaccessible that, previous to that time, no attempt had been made to define the precise limits of the three empires which meet there. From this date onwards, Russian exploring parties often ventured beyond the limits assigned to them, and were turned back by British sentries. The frequency of these occurrences led in 1895 to the appointment of a second Joint Boundary Commission, whose labours, which were conducted in a most friendly spirit, resulted in a convention, signed March 11th, 1895, delimiting the spheres of influence of the two countries in the region of the Pamirs. The Russo-Afghan

frontier, therefore, which has during the last twenty years known so many changes, rests to-day on the Pamirs Convention of 1895. from the Chinese frontier to Lake Victoria, and thence, westward to the terminal pillar of the Afghan Boundary Commission of 1887, is determined by the Granville-Gortschakoff agreement of 1872. From the Oxus to the Heri-rud, where Afghanistan meets Persia, the frontier has been defined by a series of pillars erected by the Russo-Afghan Frontier Commission, and in this way the whole north frontier is minutely defined. The long, narrow wedge of land lying to the south of the Hindu-Kush and north of the Indian frontier was constituted independent territory in 1896. The various tribes which occupy it may be divided ethnically into two groups—Pathans in the north, and Baluchs in the south; while the physical features of the country also differ widely from one another in north and south, the Gomal River being the dividing line.

To the south of this river begins a new mountain system: "Line upon line of ridge and furrow; long, dominant, sharp-backed ridges with jagged, saw-like outlines; short thin ridges packed in between as tightly as they can fit . . . all running with a parallel trend facing India, present as formidable a barrier to further advance as might well be conceived." In the opinion of Sir Thomas Holdich, who has been concerned in almost every movement west of the Indus for the last twenty years, we have a perfect natural frontier all along the north-west until the Kabul Valley is reached—"the open road," as he calls it—"down which Aryans, Scyths, Greeks, Mongols, and Turks, swarmed into the plains, changing the destinies of India and altering the face of its nationalities." The Kabul Valley, and the still easier approach by way of Persia, Herat, and Kandahar, are, he thinks, the only two approaches by which the invasion of India is possible. It is, therefore, our best policy to concentrate our whole strength upon Kabul and Kandahar, which form the keys to

the whole situation. No stability of national existence can be expected in Afghanistan. "Disintegration is sure to come, and with it, or before it, probably a Russian occupation of Herat, which will be followed by a British occupation of Eastern Afghanistan." The northern borderland he considers well adapted for observation and political control, but not a suitable place either for attack or defence. A somewhat different view of the importance of the north-west frontier is taken by other experts, and it is in this region that the advocates of the "forward policy" have for years past urged an advance. Lord Roberts, speaking in the House of Lords in 1898, said: "In my opinion it is imperative for us to occupy that northernmost corner of the great natural frontier of India; for although I consider the chance of a successful attack upon India from that direction as infinitesimal, the danger of allowing even 2,000 or 3,000 Cossacks to cross either the Kilik, Dorah, or Baroghil, passes would be great, for the report of their presence in Chitral would cause a vast amount of excitement and alarm in Kashmir and the Punjab, and would have a most disturbing effect on the restless and warlike races along the border." A Russian invasion of India has, however, ceased to be regarded at St. Petersburg as immediately practicable, the physical difficulties of transport through a country so difficult of access and so barren of all necessary supplies as Afghanistan placing an insuperable barrier in the way of such an invasion.

But while India as an objective must be postponed, steps may and are being taken to increase Russian influence in Afghanistan, the gradual absorption of which would give Russia direct access to the British line of defence. "The acquisition of the Amir's territory by cession, conquest, or 'friendly occupation,' has not only long been recognised as the immediate aim of Russian policy, but has already been begun." If Russia finally succeeds in this aim, she would no

longer be obliged to rely on a distant base of operations, and the question of her power to invade India successfully would assume a very different aspect. It may be urged that Russia could gain nothing by such a step, beyond adding the famine-stricken millions of India to the hungering multitudes of her own population. But the conquest and occupation of India is probably not her object, and invasion would answer her end, which is to weaken our prestige in India, equally well. Twenty-five years ago Skobeleff wrote: "Russia has found in England a dangerous and powerful rival in her way. We shall never be able to check her save by striking at her heart—that is to say, at India. And for this purpose we now occupy a truly threatening position on the frontiers of Afghanistan." Without any aim of conquest, therefore, Russia might, by crossing the frontier, deal such a blow to our prestige in India that we should be forced to allow her a free hand elsewhere. The acquisition of a port on the Persian Gulf, which means the practical annexation of Persia, is an avowed object of her policy; but it cannot be attained without encountering the opposition of Great Britain, at any rate as long as this country maintains its position in India.

A step towards the desired end has recently been in contemplation. In the autumn of 1902 it was rumoured that Russia intended to establish a diplomatic agency at Kabul, whose task, as stated by the *Neue Freie Presse*, was "to break up England's influence in Afghanistan, and in its place to make that of Russia predominant." The *Novoe Vremya*, in September 1902, commenting on the proposed agency, dwelt upon the benefits which had accrued to the parts of Central Asia which had passed under Russian dominion, and continued: "It is unquestionable that we should have exercised the same beneficent influence in Afghanistan, if its frontier had not been closed to us. It is of the first necessity, in the

interests of Afghanistan herself, that an end should be put to the anomalous character of Russo-Afghan relations, and it must be hoped that, if this question is raised in a regular manner, we shall succeed in obtaining those concessions which the British themselves have not been able to obtain." This indirect intimation of policy was followed in October by a communication "in a regular manner" from the Russian Government, proposing that direct relations should be established between Russia and Afghanistan with regard to frontier matters, stating at the same time that the proposal had no political significance, as the Russian Government continued to regard Afghanistan as outside its sphere of influence. His Majesty's Government replied that "it would be impossible for them to take into consideration any change in existing arrangements, or to frame proposals to be brought before the Amir, without some more precise explanation in regard to the method, which the Russian Government would desire to see adopted, for the exchange of such communications between the frontier officials, the limitations to be placed on them, and the means of ensuring that those limitations would be observed." To this communication no reply has yet been received, though the Russian press does not cease to inveigh against the present state of things.

"The great change wrought during Abdurrahman's reign in the internal condition of Afghanistan has naturally been accompanied by a proportionate change in her position as a factor in the problem of Central Asian politics. We have learnt more than once, at heavy cost to ourselves, the power of resistance which a brave and warlike race like the Afghans possesses in the inhospitable deserts and mountain fastnesses that form so large a part of their patrimony. Yet the Afghans who faced us in battle in 1878 and in 1880, as well as in 1842, were but a heterogeneous collection of ill-armed and ill-trained tribesmen whom the bond of common enmity to the infidel invader alone brought

into temporary community of action. To-day the natural defences of Afghanistan are as formidable as ever, and behind them is arrayed a fairly homogeneous army, of which the normal strength is estimated at 60,000 men, equipped with modern weapons, and trained to some extent at least in the art of modern warfare. . . .

"An invading army would find itself confronted to-day in Afghanistan with a task at least as formidable as that which for nearly three years taxed the military resources of our empire in South Africa. It would have to contend with natural difficulties as great, and with an enemy as mobile and as well armed, and perhaps even more fiercely tenacious of his independence. This is a fact with which the neighbours of Afghanistan must reckon. . . . Russia realises as fully as we do the change that has taken place during the last two decades in the forces of resistance which Afghanistan can oppose to any foreign invader. . . . She has substituted for the old policy of overt conquest by force of arms that of subtle conquest by pacific absorption. For that, it may be safely asserted, is the object which she primarily has in view, in endeavouring to open up once more direct relations with the Government of Kabul. For this very reason it behoves us to exercise the very greatest caution in dealing with the overtures she may make to us in this direction. We stand on the solid ground of existing treaties in refusing to release her from the international engagements which have placed Afghanistan entirely outside her sphere of action. . . . It is true that Russia avowedly limits her desire for direct intercourse with Kabul to commercial matters. But, without seeking to impugn the sincerity of that limitation, one may well ask how the line is to be drawn nowadays between commercial and political relations, when Russian policy more especially has shown in other quarters such conspicuous success, in using the leverage of commercial enterprise for the promotion of political ascendency. . . .

Though there is no reason to doubt at the present moment the loyalty of the Amir or of his people, our relations with them are, and always must be, of a very delicate character. The Amir is bound to be guided by the Indian Government in all matters of foreign relations, and we in turn are bound to defend him against foreign aggression. But an indefinite undertaking of this kind leaves plenty of room for difference of opinion as to the manner and occasion of fulfilment, and the variable policy of British Ministers has contributed to shake the policy of the Afghans in the sincerity of our determination both to respect their independence ourselves and to protect it against others."

Afghanistan, as at present constituted, consists of five political divisions—the provinces of Kabul, Kandahar, Herat, Afghan Turkestan, and Badakshan. The only fertile portions are the districts surrounding Balhk and Herat. Its mountainous nature and the fierce character of its tribesmen constituted its best means of defence up to the reign of Abdurrahman. The policy of the late Amir, which was directed, as we have seen, to the strengthening of the central power and the levelling down of the influence of local chiefs, may result in a general lowering of the defensive power of the country; and the dominion, to which Habibullah Khan has peacefully succeeded, may prove much more accessible to external attack by Russian policy than it was before his father's accession. Its safety now must depend much more than formerly on the strength and loyalty of the regular forces. If these were defeated, widespread confusion would certainly ensue.[1]

The mountain ranges, deserts, and unproductive valleys, which constitute the main portion of the Amir's territory, preclude the possibility of Afghanistan's ever becoming a rich country. At the present time and for many years past the country has been in a state of

[1] Yate, "In Khorassan and Sistan," p. 14. Krause, "Russia in Asia," ch. x. Skrine and Ross, "The Heart of Asia," pp. 300–304. *Times*, March 8th, 1898; March 12th, 1901; October 20th, November 20th, December 2nd, 1902; March 30th, 1903. *Morning Post*, August 29th, 1898.

insolvency, and depends on subsidies from Great Britain. The two fertile districts of Balkh and Herat have to contribute largely to the maintenance of the rest of the country. The chief agricultural products are fruits, vegetables, assafœtida, and other drugs, which are exported to India. Horses, wool, and other animal products are also exported. The industries are chiefly confined to the province of Afghan Turkestan, and consist of silk, produced largely at Kandahar, and the manufacture of felts, camels' hair, and *postins* of sheep-skin. Gold is found in small quantities near Kandahar, and the mines of Badakshan are famous for their rubies, lapis-lazuli, and other precious stones. Copper and lead also are known to exist. External trade is carried on with India, Central Asia, and Persia.

There is at present no direct trade with Russia, though some Afghan products reach Nijni-Novgorod *via* Bokhara, the considerable trade which formerly existed having been stopped by the policy of the late Amir. "In 1895," according to Mr. H. Norman, "Afghan exports to Russian territory were of the value of 209,000 roubles and in 1896 of 83,000 roubles; while Russia exported to Afghanistan in 1895 21,000 roubles, and in 1896 the trade had ceased completely." Trade is carried on, though not so largely as formerly, with the Khanates of Central Asia; the most recent estimate of exports to Bokhara is about 4,800,000 rupees, and the imports are given at about the same sum. Exports to India in 1901 are given as 187,550 rupees, and the imports from India as 299,051 rupees. The large transit trade which formerly passed through Afghanistan to Central Asia has now practically ceased, owing to the heavy duties levied by Russia on the Russo-Afghan frontier. A duty of 106 rupees is levied on every camel load (about 450 lb.) of Indian tea passing through Kabul to Bokhara. The imposition of these duties has naturally driven Indian tea to the sea route, and it now reaches Central Asia *via* Batum, the Caucasus, and the Trans-Caspian Railway.

The Russian policy of prohibitive and protective duties has fostered the import of Russian manufactures in Central Asia to the exclusion of all other competitors. Russia is, in short, gaining possession of the whole trade of Asia north of the Hindu-Kush. It has been urged that our best means of recovering the trade we have lost is to extend our Indian railways into Afghanistan. This of course is primarily a political question and cannot be determined on considerations of commercial gain alone. But there are many who think that, even for purely political reasons, the policy of the "buffer state" should be abandoned. Mr. J. M. Maclean, a former proprietor of *The Bombay Gazette*, in a letter to *The Times* of April 12th, 1900, urged the gaining of a better frontier line as equally important to trade and empire. "The buffer policy," he wrote, "pursued by us for so many years in Central Asia has now become obsolete and ridiculous. The best security for the maintenance of peace between England and Russia is that the two empires should have a common frontier, which neither can cross without a declaration of war. Our whole system of policy in Central Asia rests on the delusion that the maintenance of a state of barbarism in Afghanistan is a protection against the aggressive designs of Russia, yet it is from Afghanistan that all our frontier troubles arise. Push railways through Afghanistan to Kabul and Kandahar, and we should have no more costly and fruitless frontier wars." The dangers of effecting a junction between the Russian and Indian railway systems have already been pointed out. The advantages of such a junction, which is regarded by those who recommend it as absolutely certain to come some day, apart from the facilities it would afford to trade and passenger traffic, are that it would promote increased intercourse, and therefore a better understanding on both sides of the frontier, and that the military advantages would be equal on both sides, for England could send her troops to Moscow as easily as Russia could send hers to

Calcutta, a forecast which cannot but strike the unprejudiced observer as a little too optimistic.[1]

3. Chinese Frontier Questions

The policy of territorial expansion, which its own internal necessities have forced upon the Russian Empire, urges it continually onwards. Wherever Russia comes within striking distance of a Power weaker than herself, she immediately finds reasons for disputing the existing boundary. That Russia means to absorb no small part of China has been conclusively shown by her action in Manchuria and her Railway Conventions both with this country and with China. A good beginning has thus been made at the eastern extremity of the Chinese Empire, and now tentative efforts to secure a footing in the west are being actively carried on. The Pamirs Convention of 1895, which fixed the limits of the Russo-Afghan frontier, did not define that of China; this remains still a matter of "understanding" and, as such, is always liable to misunderstanding. In 1897 Russia applied to China for permission to occupy the grazing ground known as Muluksha, lying on the north side of the Karakoram Pass. This place was to be used as a resting-ground for caravans, but, as it is out of the caravan route of Russian trade, it is difficult to believe that this was the real purpose of the request. In 1900 rumours were current of an alleged military occupation by Russia of the district of Lake Sarikul (Lake Victoria) on the eastern extremity of the Pamirs. This occupation was subsequently denied, but at the time the *Novoe Vremya* protested against the right of Great Britain to interfere in the matter, and maintained that Lake Sarikul was situated entirely outside the limits of British influence, inasmuch as it lay to the north of the real source of the Oxus, which, according to the Pamirs Convention, was to be the boundary of British India.

[1] *Times*, April 12th, 1900. H. Norman, "All the Russias," p. 270. "Statesman's Year-book," 1902, pp. 373-4.

In 1901 the Russian Consul at Kashgar announced the intention of Russia to establish a military post at Tagharma, which was thereupon occupied by the Chinese. "Sooner or later," says Captain Deasy, "the whole province of Chinese Turkestan will fall under the sway of Russia. The benevolent Government of the Tsar will some day step in on some pretext to relieve China of an unprofitable possession, or to protect the natives from injustice and extortion, or to quell an insurrection with which the Chinese troops will be pronounced powerless to cope." Russian military posts not only dominate the entire Chinese frontier, but one, called the Pamirski Post, has actually been established on Chinese territory on the Murghab River between Kashgar and Chitral.

Indications are not wanting that Russia is drawing even inaccessible Tibet within the sphere of her influence. In 1902 a mission from the Dalai Lama of Tibet was sent to St. Petersburg, and was honourably received by the Tsar, and a treaty between Tibet and Russia was said to have been concluded. Its provisions, which were published, included an agreement for the defence of Tibet by both Russia and China in case of the interference of any third Power; Russia was to undertake the training of the fighting forces of Tibet on a European system; while China was to develop the economic condition of Tibet, and more especially its foreign trade. This treaty, it may be observed, followed close upon a report from our political officer at Ladak, in which he lamented the decrease of our Indian trade *via* Kashmir to Tibet and Chinese Turkestan: a subsidiary report from the British Agent at Yarkand showed that this decrease was solely due to Russian competition, which would be still further augmented in strength by the opening of the extension of the Trans-Caspian Railway to Andijan. According to the trade report for the year ending March 31st, 1902, drawn up by the British Resident at Kashgar, Russian competition in Chinese Turkestan is pressing

heavily upon the cotton trade. "English goods," Mr. Macartney says, "are now restricted to manufactured cottons in the form of muslins, handkerchiefs," and certain Indian specialities. "In chintz, the demand for which is practically unlimited because it is used by the natives in everyday clothing, we have had to cede the place to Russia, whose factories have obtained the monopoly of supplying Turkestan with that class of goods." A very significant passage of this report is that which states that the balance of trade, which is all in favour of India, is made up by the exportation of treasure from Chinese Turkestan to the value of about three and a half lakhs, in the shape of Russian gold coins and currency notes. The remedy suggested was that British traders should turn their attention to Tibet. The Lama's mission seemed expressly designed not only to prevent this, but to cut off British India from its *hinterland* by establishing communication between the French and Russian possessions in Tong-king and Central Asia across Yunnan and Tibet. If Russia should succeed in acquiring this control over the Central Asian dependencies of China, the trade now carried on with them from India must inevitably disappear.

Mere loss of trade would, however, be the least serious of the evils which would ensue if Tibet owed allegiance to Russia instead of China. The politico-religious power of Lamaistic Buddhism, of which Lhasa is the centre, is felt all along the north-eastern borderland of India, and under Russian tutelage it would enjoy "an amount of material support which it has long ceased to derive from its allegiance to Pekin." With Tibet a Russian dependency, another avenue to India would be laid open and further expenditure on frontier defences would become imperatively necessary. Even if the idea of direct invasion by way of Tibet may be dismissed as a groundless fear, there are other ways, less direct, in which Russia could make her ascendency in Tibet extremely prejudicial to our

interests in those native states of the north-east, over which we now exercise a limited control. Kashmir, Nepal, Sikkim, and Bhutan, are states whose attitude towards us is of the greatest importance to our position in India. With Nepal, for example, our main concern is as a recruiting-ground for our Indian army, sixteen battalions of which are composed entirely of Gurkhas. It is impossible to believe that Russia would permit this splendid fighting material to be withdrawn year after year from any territory over which she had acquired any degree of control.[1]

4. Persian Questions

Russian statesmen of the last century were not slow to perceive the commercial advantages which trade with Persia might afford. They found, however, very little demand for anything the West could supply, and such demand as existed seemed to be adequately supplied by the manufactures of Great Britain. Far from being discouraged by this position of affairs, Russia set definitely to work to reverse it. The annexation of the Khanates and Merv and the occupation of Trans-Caspia put her in possession of a frontier which marched for 500 miles with that of Persia, and the construction of the Trans-Caspian Railway enabled her to dominate the entire province of Khorassan. In 1869 the Caspian Sea was converted practically into a Russian lake. No ships flying the Persian flag are allowed upon it; none but Russian companies may navigate it, and the Russian fortresses of Ashadura, Chikiskliar, and Krasnovodsk, border its southern shore. The transport of goods by sea was thus secured to Russia. There still remained an

[1] Krause, "Russia in Asia," pp. 306, 315. Deasy, "In Tibet and Chinese Turkestan," pp. 354-6. *Times*, January 20th, 1899; March 26th, 29th, June 28th, 1901; April 11th, 1903. *Globe*, September 19th, October 25th, 1902. V. Chirol, "The Middle Eastern Question," p. 366. For further developments see Conclusion, and for recent despatches see Appendix.

interval of 220 miles between the coast and the capital, and through this Russia undertook to construct a carriage road.

This road was to replace a caravan track over the Elburz Mountains, along which a heavy trade annually passed, but owing to the difficulties of the Kharzan Heights, was by no means so extensive as it might have been. The concession for the road—the only road available for wheeled traffic in Persia—was granted to a Russian firm in 1893, construction was begun in 1897, and the road opened for traffic in 1899. The concession included a branch from Khazvin to Hamadan, not yet surveyed. A part of the work—that is, some 90 miles of level road on the plain between Kazvin and Teheran—had already been constructed by a Persian company, and was bought up by the Russians. When the whole affair passed into Russian hands, this existing road was improved, and the difficult task of constructing a new highway, rising in places to an altitude of 7,000 feet, was begun. The cost, which is stated to be at least £300,000, has been defrayed entirely by Russian money. "Controlled though it be ostensibly by a private company, it is no secret that it could never have been constructed and could not be maintained without generous assistance from the Russian State." The amount of the subsidy given by the Russian Government is said to be £170,000. "Persia has not contributed a penny towards it, though a few Persians are understood to hold shares in the company. . . . But Russia, none the less, gets value for her money. Not only does the road serve the ends of Russian commercial policy, which is almost openly directed to the acquisition of an absolute monopoly in the trade of Northern Persia, but is in itself a splendid and perfectly legitimate advertisement for Russian influence. Russia occupies the place of honour in every document drawn up in connection with transportation on the road. The names of all the stations figure conspicu-

ously in Russian characters. The barriers at which the Russian company levies its tolls are in the hands of Russian officials. The Russians have the maintenance of the road, and all the gangs employed on the road are under the orders of Russian overseers. Not only, therefore, is every Persian travelling along the main road from the north to the capital made to feel that the Russians hold the right of access to it, but the inhabitants of all the adjoining districts, who provide the requisite labour, are taught to look up to the Russians as their employers and their masters."

The time occupied by goods travelling by this route to the capital is from 15 to 20 days, at rates varying from £6 to £8 per ton. British trade may reach Teheran by one of four principal routes—by the Persian Gulf and the Bushire-Ispahan route, the Baghdad-Kermanshah route, and the new route *via* Mohammerah, the Karun River, and the Ahwaz-Ispahan road; or it may take the Black Sea route, and enter Persia *via* Trebizond and Tabriz. The rates on any of these routes are from £18 to £23 per ton, the time of actual transit across Persia 70 to 80 days, while the total length of the journey from England to Teheran averages six or seven months. The position of vantage which Russia holds is, therefore, plainly apparent, especially as regards the north. At one time Great Britain had a firm hold upon this trade, for large quantities of British goods reached Persia through Russian Caucasia. The Russians first checked this trade by prohibitive customs duties, and then followed up their action by the construction of the road which has placed the great bulk of the trade of northern Persia in their hands. British trade with Teheran and the north generally has declined rapidly during the last three years (see p. 546), and even farther south Russia is gaining what Great Britain loses.

Whether, in spite of this accession of trade, the Resht-Teheran road is a profitable concern from a commercial point of view, is still an open question.

Unless the road were destined to become a source of profit, it is difficult to see what purpose it serves, as Russia has many other routes whereby to move troops into the Persian plain if occasion arose. It is stated, however, that the tolls levied do not defray the cost of maintenance, and that the road is required for other purposes than those of commerce. The special correspondent of *The Morning Post*, in the articles on the subject of Persia which appeared in the autumn of 1902, came to the conclusion that the large sum expended by the Russian Government was entirely unremunerative. "Trade between Teheran and Russia has certainly been facilitated in winter time by the new road, but the cost of transport, so far from being made cheaper, is now at least 10 per cent. dearer than it was before the road was made. . . . That Russian trade owes its recent advance to this new means of communication is more than doubtful. An obvious theory, of course, is that the road was built for strategical purposes, and is the forerunner of a light railway for which the track has been surveyed, and by which an army corps could easily move upon the Persian capital." Russia, however, has other and easier modes by which to enter Persia, if such were her desire. The way lies open all along the frontier of Khorassan, and the road to Tabriz from Erivan presents fewer difficulties than the Resht-Teheran road, which in places is a mere ledge cut in the mountain side, with a steep wall of rock on one side and a precipice on the other.

The advantage aimed at by Russia when she spent her money so freely on this road was less material, but not less real, than either of those above mentioned. She seems, in fact, to have aimed simply at an increase of prestige. To secure more and more concessions for road-making, or anything else, to have the right to station her toll-collectors at the very gates of the Persian capital—these are the advantages on which Russia has been willing to spend so lavishly, and who

can say that her policy is mistaken, since it is true in statecraft as in war that he who owns the roads owns the country? The carriage service is in the hands of Persian contractors, whose vehicles, animals, and drivers are all as bad as can be, while accidents are of frequent occurrence. The contractors complain that, in spite of the heavy rates they charge, they are running the road at a loss, and it is stated that the Russians intend to relieve them of their contract and work the road with an exclusively Russian staff.[1]

The revenue of Persia, which in 1877 reached £2,000,000, is estimated at the present time at about £1,500,000 sterling. The lack of funds is due to the fall in the price of silver. The inland revenue of Persia is drawn mainly from the land tax, which has for years been fixed locally at a certain rate. Consequently as the price of silver fell, the revenue decreased at a rate which could not be counterbalanced by increased exactions. The population has during the same time increased, and the national expenditure is considerable; for though scarcely anything is allotted to public works, the maintenance of the army, which is stated to be wholly worthless, accounts for two-fifths of the whole of the Treasury disbursements, and the Court and Pension list absorbs the rest. Small, however, as the actual revenue is, it is decreasing, and the only way of procuring money open to the Persian Government is by foreign loans. In 1898 the Shah tried to raise a loan in England on the security of the Persian customs in the Gulf Ports. Sir Michael Hicks-Beach refused to grant it except on condition of the immediate control of the customs by Great Britain; and Lord Cranborne in January 1902 defended his course of action, on the ground that the security offered was inadequate—in fact, was not "such as business men would lend money upon."

[1] "Parliamentary Debates," vol. ci., pp. 578-9. "Statesman's Yearbook," 1902, p. 931. *Times*, October 20th, 1902. *Morning Post*, October 15th, 1902. *Daily Mail*, August 16th, 1898.

Whether or not this was the only obstacle to the negotiation cannot be known, but it seems certain that Russia lent all her influence to oppose the loan, and finally succeeded in becoming herself the creditor of Persia on no better security than that which we had rejected. In 1900 the Russian Banque des Prêts at Teheran—now called the Banque d'Escompte de Perse—issued a Persian loan of £2,250,000 sterling at 5 per cent. The security was the revenue of the customs except those of the province of Fars and the Gulf Ports; but further conditions were imposed which secured to Russia a firm hold over the fiscal future of the country. The proceeds of the loan were to be devoted (1) to the repayment of the balance of the British loan contracted in 1892, which was effected in 1900; and (2) to redeeming the indebtedness of the Persian Treasury to the two other foreign banks in Teheran, the Imperial Bank of Persia (British), and the International Bank of Commerce of Moscow, a private Russian firm. Persia was further prohibited from contracting new loans with any foreign country, except with the consent of Russia, for a period of ten years. The Loan Bank of Persia is practically a branch of the State Bank of Russia, the director of the bank being the nominee and confidential agent of M. de Witte, and corresponding directly with the Russian Ministry of Finance, and the loan is therefore for all intents and purposes a Government one.

The objects mentioned above probably exhausted the greater part of the loan; at any rate, the Persian Government found itself obliged to apply in the following year (1901) for a second loan. Very little is known as to the terms of the agreement; the sum required was stated to be £1,250,000 sterling, and was believed to be lent on the same security as before, with the additional proviso that the ten years during which Persia was not to contract any foreign loan should be extended to twelve. The proceeds of this loan vanished with the same rapidity and with the same lack of

visible effect as the former, and in 1902 it was rumoured that the Shah, during his stay in Russia on his way back from England, managed to arrange yet another loan of over £2,000,000 sterling. The customs under the new Belgian administration are bringing in nearly half as much again as they formerly produced, so that with economy Persia might succeed in paying off the Russian loan. Retrenchment is, however, by no means the policy of the present Shah, who has squandered a great part of the treasure, once estimated at £4,000,000, amassed by his father. The financial position of the country is therefore not an enviable one. It must repay the existing Russian loan before it can borrow from any other country, but unless it borrows from some other country it cannot pay off the loan.

"It is often assumed in England that the financial policy by which Russia has reduced Persia to this state of dependence upon the Russian Treasury is directed solely towards building up her political ascendency. If that were so, those who contend that her political ascendency is not detrimental to British interests would be justified in regarding it with indifference. But this assumption ignores another equally important aspect of the situation. The financial policy of the Russian Government in Persia certainly promotes the ends which the Russian Minister of Foreign Affairs may be specially supposed to have in view; but it is immediately inspired and controlled by the Russian Minister of Finance, and it is directed towards building up the commercial supremacy quite as much as the political supremacy of Russia in Northern Persia."[1]

A branch of the Banque des Prêts de Perse has recently been established at Tabriz. The business of this branch will be carried on with the object of benefiting, encouraging, and protecting Russian trade in all parts of Persia, and will be looked after by

[1] *Times*, October 25th, November 20th, 1902; February 20th (dated), 1903. *Morning Post*, October 3rd, 1902. "Statesman's Year-book," 1902, p. 930. "Foreign Office Reports," Annual Series, No. 2,685, p. 18. V. Chirol, "Middle Eastern Question," p. 55.

eighteen agencies. "It is said to be connected, if not actually affiliated, with the Russian Nadejdna Company of transports, and its efforts therefore will include the obtaining of a road concession. It will make advances to the extent of 50 per cent. to merchants dealing in Russian products, and especially to the native exporters of dried fruit, against the delivery of their merchandise; whilst its official standing will enable it to obtain bounties on Russian exports, or even the increase of existing drawbacks."

A secret circular issued to the press in 1902 prohibited newspapers to mention "the despatch of agents of the Ministry of Finance to Persia and the results of their missions." Similar restrictions have since been placed on the publication of news regarding the part played by the Russian Government in the construction of ways of communication in Persia.

The collection of customs duties in Persia was formerly farmed out to individuals, and the revenue which resulted from this system was considerably less than it ought to have been had a uniform method prevailed. By the Treaty of Turcomanchai no Russian imports were to pay more than 5 per cent. customs duty, and the imports of all other countries except Turkey were subsequently placed on the same footing. Local collectors, however, sought to attract trade to their own port by offering to admit goods at a low duty, and hence the duties imposed were frequently less for all goods than the maximum rate sanctioned by treaty. When it became necessary to pledge the customs as a security for loans, the disadvantage of this system was obvious; the Government therefore decided to reorganise the customs administration on European lines, and applied in 1898 to Belgium, as a neutral State, to supply the necessary staff of officials. M. Naus, the Belgian Director-General of Customs, is said to be a most able man. "To converse with him for five minutes," writes Mr. Whigham, "is to be convinced of his executive ability and his power

to control his subordinates." The new system came into force on March 21st, 1899, and the result has been a 60 per cent. increase in the customs revenue, a fact which sufficiently proves the superiority of the new administration. The fact that Russia has strong reasons for wishing well to the customs duties, which form the security of her loan, is no doubt one cause of the success which has attended the reform of the system. M. Naus has levied the full 5 per cent. duty on the value of all imports and exports at every port and land frontier station, and has at the same time abolished the old irregular *octroi* and transit dues.

No complete report on the administration of the customs has yet been published; "The Statesman's Year-book" for 1902, quoting figures obtained from the customs administration, estimated the net revenue derived from receipts for customs for 1900-1 as £320,000, as against little more than three-fifths of that sum under the farming system, and that for 1901-2 at £430,000. There are, however, reasons, as will be seen, for believing that these figures considerably under-estimate the true returns. They were criticised in the press at the time, and the "Year-book" for 1903, while giving the total value of the imports, is silent on the amount of revenue produced. The port of Mohammerah, although it is not strictly speaking a Gulf Port, nor in the province of Fars, was not included among the ports which were assigned as security for the Russian loan, and it is to be hoped that our Government may insist on its exclusion from the terms of the new Russian Loan Agreement. The importance of the Karun port seems hardly to have been grasped by anybody at the time the loan was arranged, but it has great possibilities, standing as it does at the head of the Ahwaz-Ispahan route, which may develop into a highway of commerce, and close to the place where the pipe line would terminate, which the new English Oil Company pro-

pose to lay through Luristan. For every reason therefore it is desirable that Mohammerah should be recognised as a Gulf Port and not permitted to become subject to the mortgage clause of the Russian loan. The position of ascendency which Russia holds in Persia may at any moment enable her to manipulate the administration of the customs to her own advantage and to the detriment of her foreign rivals. It is significant that in November 1901, when M. Naus was urging fiscal reforms upon the Persian Government, "he recommended them explicitly as a necessary preliminary to the revision of the Russo-Persian Treaty of Turcomanchai and an increase of the general tariff."

In December 1902 the Persian Government decided, with the co-operation of Belgian experts, to initiate this scheme of financial reform. The *Kölnische Zeitung* of December 27th announced the arrival at Teheran of thirty Belgians who had come to exercise supervision over the administration. The new Customs Tariff thus drawn up, superseding the Treaty of Turcomanchai, was ratified on December 27th, 1902, and published on February 14th, 1903. The former 5 per cent. *ad valorem* duty on imports is replaced by specific duties, and the majority of Persian export duties abolished. *The Times* correspondent at Moscow, writing on March 20th, stated that the Russian press regarded the new treaty as quite as much a political victory for Russia as a commercial gain. "The importance of the victory which Russia has scored in carrying this treaty against the interested opposition of the other Powers is to be found not only in the now acknowledged supremacy of Russian influence in Persia, but also in the evidence it gives of the extent of Russian authority in Turkey. The consent of Turkey was indispensable to the conclusion of the treaty, since Persia had a commercial treaty with the Porte, which admitted goods from Turkey on a customs charge of 6 per cent. *ad valorem*. The Russo-Persian Treaty considerably

augments the charges upon such goods as are produced by other Powers for sale in Persia, and these would have been protected by the most-favoured-nation clause, if Turkey had not been brought to consent to the abolition of her treaty with Persia, and accepted the provisions of the new arrangement."

Thus Russia, in the passing of the treaty, has shown her predominating influence both in Persia and in Turkey. Lord Lansdowne, speaking in the House of Lords on May 5th, 1903, said: "It was suggested that the recent revision was not to the interests of British commerce. . . . As matters now stood all we could demand at the hands of the Persian Government was the most-favoured-nation clause, and that we had got. But they all knew it was not very difficult so to adjust the tariff that, whilst it was in its appearance equal in its operation, it really in effect discriminated against some nations, and therefore he, for one, was not satisfied that this country should have to be content with the most-favoured-nation treatment at the hands of Persia. It was the subject of negotiations at this moment, and he had every hope that the Government would be able to bring about an arrangement under which, instead of the existing tariff arrangements made between Persia and other Powers without reference to the effect upon us, we should be in a position to have arrangements of our own which would give us the right of insisting, whenever Persia attempted to touch her tariff, that British interests should be specially considered. . . . He hoped as time went on the Government would be able to make further progress in the assertion and predominance of British interests." The special arrangements from which Lord Lansdowne hoped so much resulted in the Anglo-Persian Commercial Treaty, signed on February 9th, 1903, which, as Mr. Chirol says, "merely gives a British *imprimatur* to the far-reaching changes in the commercial *régime* of Persia, which Russia had extorted from the Shah's Government for the benefit of Russian interests in the struggle be-

tween this country and Russia for the Persian markets." The new treaty is, in the opinion of merchants well able to judge of its effect, likely to be highly prejudicial to our trade with Persia, which is largely an Anglo-Indian trade, and will therefore injure the interests of India as well as those of Great Britain.[1]

In 1890 a secret protocol was drawn up between Russia and Persia, which provides that no foreign Power is to be allowed the right of constructing railways in Persia for a specified term of years. 1900 was the date originally named as the year when the concession was to lapse, unless railway building were begun prior to that date. Russia at that time was fully occupied with the construction of the Siberian and Trans-Caspian Railways, and was obviously unable to enter upon new undertakings. These great enterprises are now completed; the Trans-Caspian Railway is brought up to the confines of Persia, and the time is ripe for fresh railway projects. Accordingly, as a condition of the Loan Agreement of 1900, it was stipulated that an extension of time should be granted up to 1905, or possibly up to 1910, for as no details are positively known, it is probable that the loan of 1902 involved some fresh concession on the subject. The existence of this agreement is not officially recognised; it has never been communicated to the British Government, and when the Under-Secretary for Foreign Affairs was questioned in the House in April 1899 as to its existence and the permission granted to Russia to guard her lines of railway with Russian troops, he was only able to say that he was not aware that any such concession had been acquired.

So far Russia has done nothing to justify her title to be the exclusive constructor of railways in Persia, but it is believed that a line is contemplated which, starting from Askabad on the Trans-Caspian, will run *via* Birjand and Kirman to Bunder Abbas on the

[1] *Times*, November 10th, June 20th, December 30th, 1902; March 18th and 26th, May 6th, 1903. *Morning Post*, August 22nd, 1902. *Daily Chronicle*, May 6th, 1903. *Board of Trade Journal*, May 6th, 1903. V. Chirol, "The Middle Eastern Question," ch. viii.

Persian Gulf, together with a branch line from Birjand to Nasirabad in Sistan. The construction of this line appears designed to give Russia access to the Indian Ocean, and in this manner to connect the shipping port of the Persian Gulf with her own Trans-Caspian line. This would be an immense gain to her in all respects; it would secure another commercial port on an ice-free ocean, and doubtless would lead to the closing of the Persian Gulf to all but Russian trade, making it as completely a Russian lake as the Caspian Sea already is; it would place Persia wholly under her domination, and, most significant of all, it would enable Russia to control the roads to Herat and provide her with a southern approach to India. The existence of this scheme first became matter of common knowledge in England in 1898, but owing to the absence of definite information from authentic sources the Government has only been able to make representations from time to time on the subject. Lord Cranborne, however, stated in January 1902, and Lord Lansdowne in 1903, in words which may be well understood as referring to this scheme, that Great Britain would continue to maintain that position of ascendency in the Persian Gulf which must be considered as essential to her interests. Professor Vambéry, in an article contributed to the *Zeit* in January 1903, stated that in his opinion Russia still continued to cherish the idea of connecting Bunder Abbas by rail with the Trans-Caspian, but was not likely to execute the project if it involved a breach of peace with Great Britain.

A second railway scheme, less pregnant with danger to our Indian possessions, but no less fraught with peril to British trade, is that which proposes to connect Bunder Abbas and the Trans-Caspian Railroad by a line passing through Julfa, Tabriz, Hamadan, and Ispahan, with a branch line to Teheran. It was reported in 1900 that a concession for such a line had been granted to a Russian syndicate, and that the construction of the line as far as Tabriz would be assisted by a subsidy from

the Russian Government. The line is considered to be quite a practicable one, as it follows a very ancient trade route, along which all heavy goods are at present conveyed from the Persian Gulf to the north. The length of the projected line was 1,300 miles, and the estimated cost 150,000,000 roubles. The writer of an article in *The Quarterly Review* for January 1902 is of opinion that both these schemes are too large to be at present practicable, and suggests a third which seems to offer more immediate advantages. "It is probable," he writes, "that the first Russian railway in Persia will proceed from the Azerbaijan frontier to Teheran. . . . It would be connected with the Russian railway system in Trans-Caucasia. Both commercially and for strategic purposes this line would be in every way superior to one connecting with the Trans-Caspian Railway. It would start from Erivan and would reach Tabriz by way of Khoi, where it would pick up the traffic of the Erzeroum-Trebizond caravan route."

When the rumour about the renewal of the Russian railway concession began at first to be current, Persia was asked by England to give assurances that she would not grant concessions which might injure British interests. The Persian Government then engaged that they would not give any concession to foreigners for the south of Persia without the knowledge and consent of England. But there is, it would appear, some ambiguity as to what is denoted by "south"; as understood in Persia, the word signifies only the provinces of Shiraz and Kirman, whereas in England Southern Persia is understood to include these provinces, together with Ispahan, Luristan, and some minor governments. Applications for more detailed information on the subject have hitherto received only the most indefinite replies. The one railway at present in existence in Persia is that connecting Teheran with Shah-Abdul-Azim, a distance of eight miles. The enterprise is the property of a Belgian company, but the capital was largely subscribed by Russian capitalists, and the

general opinion is that, but for their support, the undertaking would have long ago failed.[1]

The impossibility of obtaining reliable trade statistics in Persia has been enlarged upon in every consular report and other publication in which the subject is treated. When, however, "The Statesman's Year-book" for 1902 published figures obtained from the new Belgian administration, it was supposed that at last something safe had been secured. But Mr. Whigham, the special correspondent of *The Morning Post*, challenged the figures there given, and showed conclusively that the falling-off in British trade was not nearly so serious as it was made to appear. "The Statesman's Year-book" gave the total trade of Persia for the year 1900-1 as £8,000,000, an increase of only £500,000 over Lord Curzon's estimate for 1889. Of this sum £4,501,000 (56·3 per cent.) falls to Russia, and £1,920,000 (24 per cent.) to Great Britain. The amount of Russian imports, as given in the same table, was £2,858,000 (or 55·9 per cent.), while that of Great Britain was £1,400,000 (or 27·4 per cent.). But, as Mr. Whigham pointed out, these figures are evidently incomplete; they are no doubt accurate as far as they go, but they do not cover the whole ground, for no complete report has yet been published by the customs administration. The year in question was, moreover, the first year of the new system, and it is impossible to suppose that it came into full working order all at once.

Mr. Whigham, arguing from the returns of the Persian Gulf Consular Reports (which gave the total trade in British and British Indian goods as £1,500,000) and from personal observation, and adding in the returns for goods entering Persia *via* Mohammerah, the Kermanshah route, and by way of Trebizond, arrived at a total of not less than £2,750,000 for the value of British and British Indian imports into Persia, instead

[1] *Times*, January 17th, February 2nd, 1903. *Daily News*, February 14th, 1900. *Morning Post*, September 10th, 1898; October 3rd, 1902. *Daily Mail*, February 12th, 1900. "Parliamentary Debates," April 18th, 1899. Sykes, "Ten Thousand Miles in Persia," p. 451. *Quarterly Review*, January 1902.

of £1,400,000 quoted above. "Then it follows that Russia, instead of possessing 55·9 per cent. of the import trade, has not more than 44·4 per cent.; while Great Britain and her dependencies still hold 42·4 per cent." The author of the article in *The Quarterly Review* for January 1902, who at first accepted the figures of "The Statesman's Year-book," subsequently so far concurred in this conclusion as to state, leaving actual tests of figures aside and speaking as a traveller in Persia, "that of the imports into Persia, the British and the Russian Empires hold at present about equal shares, so far as value is concerned." This opinion is confirmed by a study of the figures as given in the Consular Reports for 1902 (published July 1903). The total foreign trade of the Persian Gulf is here given as £6,500,000 sterling, of which £3,750,000 represented imports and £2,750,000 exports. The great bulk of this trade was with Great Britain and India. The Chancellor of the French Legation at Teheran, in a report to his Government dealing with the same period, estimated the total foreign trade of Persia by all frontiers as £8,598,000, of which £5,500,000 were imports and £3,000,000 exports. The share of the British Empire was estimated at 38 per cent., and that of Russia at 41 per cent. If the trade of Mohammerah and the Karun River, which is almost exclusively British, be added, the total of British trade will probably be found to be about equal to that of Russia. In 1902 the trade of this district was considerably lower than usual, owing to a falling-off in the harvest, and only reached a total of £269,000, as compared with £388,000 in 1901. This view is, however, modified by the statement that "Russian imports have increased in far greater proportion during the last ten years than has been the case with those from the British Empire . . . but much of the apparent increase is owing to the much more accurate records kept by the Belgians as regards goods entering from the north."

In the north it would appear that Russian trade

is undoubtedly increasing, but it may be questioned whether the increase is a natural one, due to the enterprise of Russian merchants and improved means of communication, or whether it may not largely be ascribed to the system of bounties and special freight charges up to the frontier pursued by the Russian Government. For instance, according to Mr. Whigham (*Morning Post*, September 7th, 1902), a drawback of 5·40 roubles per pood, or £35 per ton, is allowed on all cotton goods exported from Russia into Persia. A great deal of raw cotton also comes from Trans-Caspia, on which the manufacturer pays no duty at all. The drawback represents the amount supposed to be paid in duty on the raw material; in point of fact, however, it represents not the amount actually paid, but the highest duty which can be paid, and the difference between the two constitutes in reality a premium. Even in the north, however, the predominance of Russia is by no means uniform. The enormous cost of transport causes great variation in the presence of Russian goods at places within short distances of one another. "Teheran, for instance, is much more given over to Russian trade than Tabriz, which is much nearer to the Russian frontier, the reason being that at Tabriz the effect of the Trebizond route is strongly felt, while at Teheran it is not felt at all."

Among the imports into Persia cotton goods hold the first place. The total value of the imports of cotton piece goods, bleached and unbleached, during the period March 1901 to March 1902 was £820,000, as against £496,000 in the preceding period. Dyed and printed cottons reached a total value of £1,516,000, compared with £859,000 in 1900-1. The greater part of the whole quantity imported was supplied by Great Britain, but in dyed and printed goods Russian competition pressed very closely on England, the northern markets showing a decided preference for the Russian article. Sugar, the consumption of which is very large and general owing to the Persian love

of sweetmeats, occupies the second place among the articles of import. Four-fifths of all the sugar imported is Russian, the markets of the north are supplied exclusively by Russian refineries, and Russian sugar, favoured by large export bounties, has completely ousted French sugar from Teheran, Tauris, and Meshed, The bounty given is so large that Russian sugar can be sold in Meshed for nearly half the price which it fetches at Askabad and on the Russian side of the frontier. This system has entirely stopped the import of Indian sugar into Khorassan.

H.M. Consul-General for Khorassan, in his report for 1899, stated that the trade in glass and earthenware, paper, and matches, which were all formerly supplied by India, has now passed largely or entirely into Russian hands, and in his report for 1901-2 he says that "the chances of a lucrative export trade between Khorassan and India seem as remote as ever." Over 90 per cent. of the export trade of Khorassan and Sistan is absorbed by Russia. Raw cotton, raw wool, hides and skins, dried fruits, live stock, shawls, carpets, opium, and certain coloured Persian cloths are all largely exported to Russia and find a good market there. It is not surprising that with the advantages of geographical proximity, of roads which are practically Russian property, and of extraordinary banking facilities, Russian trade thrives in Persia. The relations of the Banque d'Escompte with the Russian Treasury not only give it "special facilities for manipulating exchange on Europe for the benefit of Russian trade—a most important factor in all commercial transactions—but the large profits which it derives from its loan operations in Persia enable it to carry on other operations which no bank, run on purely business lines, could possibly undertake. Loans are made to Persian customers on consignments of goods, so long as those goods come from Russia, on terms which simply set ordinary business principles at defiance, and facilities which they would find nowhere else are granted to new customers

on the express condition that they shall import their merchandise from Russia, or, at any rate, not from Great Britain." With these facilities the wonder is, not that Russian trade should thrive, but that it should require the assistance of the bounty system at all.[1]

The present relations of Persia, Russia, and Great Britain, are based upon a series of treaties beginning in 1834 and extending to 1888. The first agreement of the series, dated September 5th, 1834, and signed by Lord Palmerston, affirms the desire of H.M. Government to maintain the independence and integrity of Persia. This agreement was confirmed in 1838 and again in 1839 by an exchange of notes between Count Nesselrode and Lord Palmerston, when the latter accepted with satisfaction "the declarations of the Imperial Cabinet that it does not harbour any designs hostile to the interests of Great Britain in India, that its own policy with regard to Persia remains unchanged, and is the same which in 1834 the two Powers agreed to adopt." On July 2nd, 1873, Earl Granville informed the Persian Grand Vizier of the understanding arrived at in 1834 between Russia and Great Britain, and communicated what had passed to the Russian Ambassador, who expressed satisfaction. On February 21st, 1888, Lord Salisbury requested Sir R. Morier to ascertain whether the agreement of 1834 and 1838 was regarded by the Imperial Government as remaining in full force, and on March 12th, 1888, he referred to a visit from the Russian Ambassador, who had assured him that "the engagements between Great Britain and Russia to respect and promote the integrity and independence of the Persian Kingdom have again been renewed and confirmed."

During the course of the debate on the King's Speech, on January 22nd, 1902, an amendment was

[1] *Times*, October 27th, 1902. *Morning Post*, September 7th, 1902. "Foreign Office Reports," Annual Series, Nos. 2,533, 2,921, 3,036. "Statesman's Year-book," 1902, p. 931.

proposed praying that "adequate measures should be taken for the safeguarding of the commercial and political interests of the British Empire in Persia." The subject of this amendment proved the theme of an important debate in which the whole question of our relations with, and present attitude towards, Persia was discussed in detail. Reference was made to the previous understandings with Russia on the subject of the integrity of Persia, and Lord Cranborne stated that he had "special reason to believe that on both sides that assurance is maintained." He added—"We are perfectly sincere in our anxiety for the integrity of Persia, and we are anxious, above all things, to be friendly with Persia." Lord Cranborne further stated that our policy in Persia, as throughout the East, was to maintain the *status quo*, a policy which was difficult to maintain because, as other countries advanced, a purely defensive policy must present greater difficulties than any other. He acknowledged that we have vast commercial, as well as political, interests in Persia, which it is our wish and duty to maintain; that it is also our interest that Persia should remain in its present territorial condition, but, he added, "when I state that, I ought to add that there are limits to that policy. That policy cannot be pursued independently of the action of other Powers. We are anxious for the integrity of Persia, but we are anxious far more for the balance of power; and it would be impossible for us, whatever the cause, to abandon what we look upon as our rightful position in Persia. Especially is that true in regard to the Persian Gulf . . . to the southern provinces of Persia, and especially to those provinces which border on our Indian Empire. Our right there, and our position of ascendency, we cannot abandon."

This position was further confirmed by Lord Lansdowne, who, speaking in the House of Lords on May 5th, 1903, said: "His Majesty's Government would regard the establishment of a naval base or

a fortified port in the Persian Gulf by any other Power as so grave a menace to British interests that they would resist it with all the means at their disposal. So far as he was aware no proposals were on foot for the establishment of a foreign naval base in the Persian Gulf." This statement attracted considerable attention in the foreign press and was welcomed by the House as one of "great, almost of historic, importance."

Lord Curzon's tour in the Persian Gulf, made during the autumn of 1903, is a final evidence of the importance of British interests in Persia; it shows that the Gulf and its shores are regarded by the Viceroy of India as being practically the frontiers of our Indian Empire, and, as such, are worthy of the closest attention.[1]

The principal northern route by which trade, other than Russian, reaches Persia is that by way of Trebizond on the Black Sea. About half of this trade belongs to Great Britain, but it is diminishing rather than increasing. The main reason for this is, of course, the import of Russian goods by the Caucasus Railway. Another cause of the gradually dwindling trade of the northern route may be found in the high price of forage required by beasts of burden, in the fact that packages are often opened twice before they reach the Persian frontier, that they pay a transit duty of 1 per cent. *ad valorem* in Turkey, that the journey occupies from four to six months, and that the cost of transport from Trebizond to Tabriz is from 200 to 250 krans per quintal. Under these circumstances it is not surprising that importers prefer one of the southern routes. British ships have ceased to call at Trebizond, because they cannot compete with the subsidised lines of Austria-Hungary, France, and Russia, but British goods are no dearer

[1] "Foreign Office Reports," Miscellaneous Series, No. 2, 1898, pp. 127-30. "Parliamentary Debates," vol. ci., No. 5, pp. 574, 614-15. *Times*, May 6th, November 24th, 1903.

in consequence, as they are transhipped at the Piræus and Constantinople from British grain steamers bound to other Black Sea ports.

Imports for Persia when landed take the great caravan route from Trebizond to Erzeroum, and thence eastwards across the Persian frontier to Tabriz. The total length of the road is 516 miles, 163 of which are in Persia, and considering this, and that the remainder of the road is in Asiatic Turkey, it is kept in a fair state of repair. The principal exports from Persia *via* Trebizond to the United Kingdom in 1901 were raisins, almonds, and carpets, representing a value of £20,970, the figures for the previous year being £18,790. The imports included cotton and woollen goods, silks, yarns, tea, hardware, copper, and crockery, amounting in value to £200,040, compared with £311,610 in the preceding year. The £260,000 given by Mr. Whigham (see page 540) as an average seem to represent the annual trade of the port fairly accurately. The following table shows the value of all articles exported and imported to Trebizond to and from foreign countries during the years 1900-1 :—

PERSIAN TRANSIT TRADE.[1]

Country.	Exports.		Imports.	
	1901.	1900.	1901.	1900.
	£	£	£	£
United Kingdom	20,410	20,970	317,890	200,040
Turkey and Egypt	103,150	163,090	1,620	1,040
Austria and Germany	18,870	19,460	187,590	126,350
France	3,110	6,170	64,950	57,880
Switzerland	—	—	11,250	5,600
Greece	3,100	1,600	1,620	900
Other countries	14,680	13,210	56,890	13,490
Total	163,320	224,500	641,810	405,300

[1] "Foreign Office Reports," Annual Series, Nos. 2,396, 2,388, 2,766. *Board of Trade Journal*, March 20th, 1902.

The open and unconcealed efforts lately made by Russia to obtain a footing in the Persian Gulf render it desirable that attention should be directed to the extent and value of British interests in that region. The chief ports in the Gulf are Bunder Abbas, Lingah, Bushire, and Mohammerah, to which must be added the Bahrain Islands, which came under British protection in 1867. The trade of Bunder Abbas and Lingah is chiefly carried on with India, and Lingah in addition serves as an *entrepôt* for trade operations all over the Arab coast and the Bahrain Islands. Mohammerah on the Shatt-el-Arab, the river which unites the two streams of the Euphrates and Tigris, is principally a port of entry for goods going to Baghdad and to Ispahan *via* Shuster. The most important of the Gulf ports and that which enjoys the largest proportion of trade with the United Kingdom is Bushire.

The table given on pages 550-1 shows the trade of the Persian Gulf with Great Britain, India, and other countries during the years 1899–1902.

The chief articles imported are cotton piece goods, woollens, hardware and cutlery, tea, spice, grain and pulse, and sugar. Cotton goods were supplied chiefly by Great Britain; Germany stood first as an importer of woollens, Great Britain next. Sugar comes chiefly from France, but recent years have shown an increase in the loaf sugar from Egypt. Indigo is imported from India, the Oudh variety being most in demand. The staple exports of the Gulf trade are pearls, almonds, dates, opium, carpets, cotton, and gum. Pearls are found on the Bahrain Islands, and are shipped from there and from Lingah. In 1901 the export of pearls from Bahrain reached £267,000, and in 1902, when the pearling season was exceptionally good, it rose to £546,000. The ports exporting almonds are Bushire, Lingah, and Bunder Abbas, and the total value of almond kernels from these ports in 1900 was £28,000, in 1901 £39,000. The total value of the carpets exported in 1900 was £121,000, in 1901 £58,000, the decrease in

the latter year being due to the overstocked state of the market.

The Consular Report for 1900 states that "the new industry of gum is making rapid progress, and may eventually become an important item in the export trade of the Gulf. Tragacanth is finding much favour in the United Kingdom and Germany, and America might also come in for a share. A few years ago tragacanth was quite unknown in Persia, and only the Kermanshah district contributed towards the export of that item *via* Baghdad. It is now only three or four years since both Shiraz and Ispahan have come forward to contribute towards this trade. . . . As it is, this nascent industry brings into the country nearly £40,000 annually, and if properly conducted is capable of extensive development."

The shipping returns of the Gulf show a similar preponderance of British interest. The following table shows the total number of vessels entering Bushire during the years 1900-2:—

British.			Other Countries.		
	No. of Vessels.	Tonnage.		No. of Vessels.	Tonnage.
1900 . .	151	136,757	1900 . .	410	24,277
1901 . .	134	127,010	1901 . .	493	19,263
1902 . .	—	151,229	1902 . .	—	23,563

The number of steamers which entered the port of Lingah in 1902 was 99, with a tonnage of 106,700; of these 95 were British and 4 Russian. A new feature of the Gulf shipping in 1901 was the establishment of a direct line of steamers between Odessa and Bussorah inaugurated by the two voyages of the s.s. *Korniloff* (1,592 tons). A bounty was given by the Russian Government at the rate of 4 roubles a sea-mile to the owners, the Russian Steam Navigation Company. On her first voyage most of her cargo was destined for Bushire, on the second a cargo of petroleum and wood was discharged at Bussor

TRADE OF THE PERSIAN GULF

DURING THE YEARS

IMPORTS.

	1899.	1900.	1901.	1902.
Bunder Abbas.	£	£	£	£
India	435,000	204,000	164,000	187,000
United Kingdom . .	86,000	70,000	159,000	130,000
Other countries . .	25,000	65,000	100,000	82,000
Total . . .	546,000	339,000	423,000	399,000
Lingah.				
India	306,000	238,000	326,000	367,000
United Kingdom . .	—	—	—	—
Other countries . .	306,000	263,000	331,000	505,000
Total . . .	612,000	501,000	657,000	872,000
Bushire.				
India	225,000	278,000	318,000	262,000
United Kingdom . .	442,000	715,000	900,000	637,000
Other countries . .	250,000	330,000	413,000	280,000
Total . . .	917,000	1,323,000	1,631,000	1,179,000
Mohammerah.				
India	117,000	132,000	81,000	56,000
United Kingdom . .	74,000	119,000	81,000	40,000
Other countries . .	55,000	90,000	70,000	27,000
Total . . .	246,000	341,000	232,000	123,000
Bahrain and Arab Coast.				
India	498,000	314,000	487,000	552,000
United Kingdom . .	—	3,000	2,000	—
Other countries . .	487,000	393,000	416,000	336,000
Total . . .	985,000	710,000	905,000	888,000
Total Persian Gulf.				
India	1,581,000	1,166,000	1,376,000	1,322,000
United Kingdom . .	602,000	907,000	1,330,000	1,113,000
Other countries . .	1,123,000	1,141,000	1,142,000	1,230,000
Total . . .	3,306,000	3,214,000	3,848,000	3,665,000

WITH GREAT BRITAIN, INDIA, ETC. 1899-1902.

EXPORTS.

	1899.	1900.	1901.	1902.
Bunder Abbas.	£	£	£	£
India	106,000	86,000	120,000	68,000
United Kingdom	1,000	6,000	—	9,000
Other countries	95,000	11,000	35,000	20,000
Total	202,000	103,000	155,000	97,000
Lingah.				
India	265,000	216,000	305,000	506,000
United Kingdom	4,000	3,000	8,000	5,000
Other countries	282,000	251,000	290,000	313,000
Total	551,000	470,000	603,000	824,000
Bushire.				
India	95,000	138,000	90,000	85,000
United Kingdom	78,000	155,000	110,000	90,000
Other countries	356,000	419,000	373,000	173,000
Total	529,000	710,000	573,000	348,000
Mohammerah.				
India	31,000	69,000	80,000	63,000
United Kingdom	11,000	13,000	23,000	34,000
Other countries	17,000	33,000	48,000	49,000
Total	59,000	115,000	151,000	146,000
Bahrain and Arab Coast.				
India	473,000	307,000	503,000	579,000
United Kingdom	—	—	—	—
Other countries	746,000	497,000	522,000	157,000
Total	1,219,000	804,000	1,025,000	736,000
Total Persian Gulf.				
India	970,000	814,000	1,098,000	1,281,000
United Kingdom	94,000	177,000	141,000	138,000
Other countries	1,496,000	1,211,000	1,265,000	712,000
Total	2,560,000	2,202,000	2,507,000	2,131,000

The market is already overstocked with petroleum, but there seems a good chance of the wood, mostly deal planks and beams for building purposes, competing successfully with the teak hitherto imported from Singapore. On the first voyage the *Korniloff* had to return empty for lack of freight, but on the second voyage a return cargo of dates to the value of £2,000 was obtained. These were previously carried in British vessels for transhipment at Port Said. This particular cargo is naturally only obtainable at one time of the year, the end of the date harvest, and at other seasons the Russian Company can hardly count on sufficient freight to make the venture pay as a commercial undertaking. On December 3rd, 1902, the Russian Steam Navigation Company drafted an agreement with the Government regarding the establishment of regular and frequent sailings between Odessa and Bunder Abbas and Bushire. This agreement only awaits Government ratification before being put in force.

The figures quoted above demonstrate with sufficient clearness the present extent and importance of British commercial interests in the Gulf, but they do not, of course, explain how that position has been secured or the sacrifices in life or money which a "century of effort" has required. "It is impossible," says the Special Correspondent of *The Times*, "to estimate the actual cost in money and in blood at which that *pax Britannica* has been established, but, when one considers the naval expenditure it has annually involved for over 100 years, the military expenditure it has from time to time necessitated, the political establishments whose work consists largely in securing the observance of the many covenants and treaties under which the tribes have been bound over to us to keep the peace, . . . the cost must unquestionably have been very great." A century ago the waters of the Gulf swarmed with pirates and slave dealers. The plunder of two British vessels in 1805 was followed by a punitive expedition which exacted from the marauders a treaty

binding them to respect the flag of the East India Company. Piratical operations were, however, renewed before long, and in 1819 a more determined attempt to stamp them out was made by a large naval force, which resulted in a general treaty signed in 1820 by each of the chieftains of the pirate coast.

Raids were henceforth conducted with greater secrecy, but were sufficiently serious to call for compulsory treaties in 1838, 1839, 1847, and 1856, giving to British vessels a right of search and confiscation, and prohibiting the shipment of slaves from Arab ports. The raid attempted in September 1901 (which was equipped and directed by Turkish authorities), when two armed dhows were captured by the *Lapwing*, indicates what would certainly take place did not our gunboats constantly patrol the waters of the Gulf to the benefit of every Power which has trading interests there, no less than our own. Not only is every merchant vessel that plies for trade, whatever her flag may be, indebted to the police work of British ships, but it "owes equally to their labours everything that has been done to diminish the natural perils and difficulties of navigation. The only surveys upon which the greater part of the charts have been compiled have been carried out by the British navy or the Indian marine. A British company, the British Indian Steam Navigation Company, has laid the only buoys which mark practicable channels and safe anchorages, and keeps up the only beacons which yet light the chief roadsteads."

The debate in the House of Commons on January 22nd, 1902, showed that the Government is alive to the importance of safeguarding British commercial interests in the Gulf—a fact which is also confirmed by the recent appointment of a British consul at Bunder Abbas. The rumour that Russia is attempting to secure a port on the Persian Gulf was positively contradicted by Lord Lansdowne; the Under-Secretary for Foreign Affairs, when questioned in April 1899,

assured the House that the Government had no information on the subject. The Persian Minister in London also communicated to the press an explicit disclaimer of any secret understanding between the Shah and Russia.' Nevertheless, the Russian semi-official press has since repeatedly asserted that it is the duty of Russia to strive for "full liberty of action in Southern Persia." "To secure for ourselves," said the *Novoe Vremya*, "the means of offering real resistance to British influence in that country is an object of no less importance than that pursued by the Russian Chinese Bank. Moreover, this object lies nearer at hand, the ground for its accomplishment having been well prepared for a considerable time past."

If Russia were ever permitted to obtain a predominant position on the Persian Gulf, there could be no doubt that the result would be the entire exclusion of all but Russian trade. A Russian station at Bunder Abbas would probably be opened with the same promises as were Batum and Port Arthur. These were to be free and open ports, but within a few months of their establishment all promises were disregarded, and such duties levied on foreign imports as to completely prohibit all non-Russian trade. That similar results will follow in the Persian Gulf cannot be questioned, if once Great Britain allows her political ascendency to be challenged. British commercial interests in the Gulf require not only a position of supremacy on its waters; they rest also on the good-will and influence of the populations of the interior, and this cannot be assured unless the Persians feel that our trade brings benefit to them, and that we enjoy a position of undisputed pre-eminence among the Powers. The author of *The Quarterly Review* article already referred to writes: "The influence of England must continue supreme, not only in the Persian Gulf, but also over the zone of the mountains interposed between that seaboard and the table-land of Persia. These must continue to be

threaded by the various commercial arteries introduced by the enterprise of her sons. The cities upon or near the northern slopes of those mountains, Kerman, Yezd, and Ispahan, must be preserved at all hazards from the Muscovite net." "Great Britain has made the Persian Gulf an open sea, and in a commercial sense it will continue so as long as it remains under her guardianship; but her Imperial interests forbid her to leave it open to the territorial ambition of other Powers. The self-denying ordinance she has in this respect imposed upon herself she has the right to impose upon others. She will impose it the more easily if she makes it clear from the outset that she is determined to enforce it, and to tolerate none of those evasions by which modern diplomacy combines the nominal maintenance of a fictitious *status quo*, with the most radical and far-reaching changes in the real *status quo*."

Lord Curzon, in his speech to the Arab chiefs of the pirate coast during his recent tour in the Persian Gulf, emphasised these same points when he reminded them of their engagements not to enter into agreements with any other Power than Great Britain, not to admit to their dominions an agent of any other Government, nor to alienate any part of their territory. To the deputation of British Indian traders at Bunder Abbas, the Viceroy said that the trade in which they were engaged was equally beneficial to Persia and to themselves. He quoted figures of the trade in the Gulf to show that, even with the more acute competition now prevailing, "the commercial superiority long enjoyed by the British still existed—if not unchallenged, at least unimpaired."[1]

Two circumstances combine to render Sistan a locality of the greatest importance to all who are interested in the commercial development of Persia—

[1] *Times*, November 20th, December 8th, 1902; November 26th, 1903. *Board of Trade Journal*, July 4th, 1901, p. 8. "Foreign Office Reports," Annual Series, Nos. 2,631, 2,803.

its position and the fertility of its soil. The position of the province of Sistan known as Persian Sistan lies only some 300 miles to the south of the Russian frontier and north of the Indian Ocean, bordering to the east on Afghanistan and commanding the roads to Herat and Kandahar. The eastern portion of the province is still, as the whole province once was, a part of the dominions of the Amir of Afghanistan. The river Helmund forms the boundary, as settled by the Boundary Commission of 1870; but since the Helmund, like other rivers of Central Asia, frequently shifts its bed, the question of the water supply is constantly reopened. Disputes arose in the autumn of 1902, and a Perso-Afghan Commission, under Major McMahon, was appointed, which met on the Helmund River on January 12th, 1903.

Persian Sistan has an area of 950 square miles, which consists largely of rich alluvial soil deposited by the river Helmund. Even at present, with the irrigating powers of the river only partially developed, Sistan is a fertile country; but with an extended system of irrigation it might easily become, as Captain Sykes called it, "a small Egypt" and the granary of the surrounding countries. The population of the province is only 100,000, and at present trade of all sorts is very limited. Colonel Yate, writing of his visit to Sistan in 1894, said: "I found there were no regular traders in Sistan at all. As a rule the different villages clubbed together and sent a *kafila* to Bunder Abbas or to Quetta once a year in the autumn, returning in spring. About 30,000 camel-loads were said to leave Sistan in this way annually, 500 of which went to Quetta with *ghi* and a little wool, and all the remainder to Bunder Abbas with wool and goat-skins, bringing back in return tea, indigo, spices, sugar, and a small quantity of piece goods. The things thus brought did not as a rule come into the town bazar, but were taken by the camel *kafilas* direct to the villages. The supply was said to be

generally not sufficient to last out the year, and the people had to eke out the last few months with goods, mostly Russian, from Birjand. The Sistan bazar at Nasirabad I found absolutely empty. There was nothing in it at all but a small quantity of Russian sugar . . . and two packets of Belgian candles."

The lapse of ten years has not materially altered this state of things. In his first report the British Vice-Consul for the year 1901-2 states that Sistan can in no way be considered a large trading centre. "The inhabitants being mostly of the agricultural class, cheapness rather than quality is looked for, and ready money is very scarce." Sistan derives its importance commercially from the fact that it is the chief distributing centre for the more opulent markets of the Kainat, Khorassan, and the Afghan frontier towns, and from the fact that it is the main customs station for goods entering Eastern Persia. Lord Ronaldshay describes Sistan as "the Eastern gateway to Khorassan," where it is important for British goods to make a stand against the ever-increasing competition of Russia. The bulk of the imports from India, the country with which the principal trade of Sistan is carried on, used to be landed at Bunder Abbas, and reach the interior by the caravan route from the port to Nasirabad. The determined efforts, however, which have been made by Russia during the last decade to capture the entire trade of Khorassan, and then to penetrate southwards to Sistan, aroused the Government of India to find some method of parrying the attack. In 1894 it was decided to open a new and direct trade route between Quetta and Sistan, along the Baluch side of the Afghan border. The distance of 505 miles has been portioned out into stages, and "all along this route wells have been dug and levy posts established to secure the safety of caravans and to facilitate traffic, and the journey is now accomplished with a comfort and safety that were formerly unknown."

The result is that where, but a few years ago, a caravan was quite a rarity, hundreds of camels now pass daily, while the desert teems with life, as the nomads from every quarter gradually settle down and form villages in proximity to the road. A brisk intermediate trade has also been created, the inhabitants of Sistan and of the lower reaches of the Helmund finding a profitable market for their wheat and barley. Again, goods never change hands in transit, and the cost of transport, too, is generally lower on the new route, but charges are not fixed on either route, and the hire of camels is invariably a matter of bargaining. Gradually the traffic along the new road increased, until for the year ending March 1st, 1902, it reached over £1,250,000 sterling. The route has already "made its reputation among native merchants, and several Indian firms have definitely established themselves in Sistan. . . . Even the Afghan merchants of Herat have begun to use it largely for their Indian trade, whilst the export of tea to Persia by this overland route, which does not affect its aroma as does the journey in the moist heat of the Persian Gulf, has shown such profits that several important tea associations have despatched representatives from India to study the requirements of the new markets thus thrown open to them."

One disadvantage, however, attached to the Nushki-Quetta route, which goes far to counterbalance the facilities offered by it to Indian trade, is the covert hostility of the customs officials. "Although the Persian customs are nominally in the hands of Belgian officials, they are controlled by Russia, and that control is exercised in a manner inimical to Indian commercial interests." The existence of plague in Bombay has afforded an excuse for the introduction of quarantine on the Persian frontier with all its vexatious delays. Mr. Foley, the representative of the Indian Tea Association, who was sent to Meshed to report on the best methods of promoting the export trade, informed the

Association that "it will always be possible for the Persian Government or the Russian to paralyse any trade by this route by keeping caravans and travellers unnecessarily long at any station before granting *pratique*." The attitude of the customs officials in this and other matters bears out the admission inadvertently made by one of them that "nous sommes ici pour embêter les Anglais."

The statistics of trade in Sistan, published in the first Consular Report of that province, were obtained from the Belgian Director of Customs, and making allowance for the fact that the records were systematically kept for only nine out of the twelve months under review, they may be regarded as trustworthy. The import trade of Sistan consists of merchandise (1) from India (90 per cent.), 70 per cent. of which came by this route; (2) from Meshed (7 per cent.), mostly Russian goods; (3) from Afghanistan (3 per cent.). Forty per cent. of the total imports remained in Sistan, and 60 per cent. passed through to the markets of Khorassan. The chief imports from India were cotton and woollen goods, enamel ware, tea, and indigo. The demand for goods in small quantities is, however, extremely varied: one caravan is stated to have left Quetta containing iron bedsteads, mincing machines, stained-glass windows, and bicycles. The total value of British Indian imports was £24,000, that of Russian £1,476. The chief exports are *ghi*, wool, feathers, asafœtida, melon seeds, cotton, Kerman carpets of a superior quality, and silks from Yezd. Ninety-one per cent. of the total exports went to India by the Nushki route, but only 30 per cent. of these were local produce. The rest merely passed through Sistan from Meshed and other places, and consisted mainly of horses and mules, which reach Quetta in excellent condition. The chief industry of Sistan is the manufacture of *ghi*; it is estimated that the total amount of *ghi* capable of being produced locally is 1,174 tons. There are as yet no Russian traders in Sistan, though a few

agencies for the sale of Russian prints, cloths, ironware, and sugar exist.

The above figures show conclusively the popularity which the Nushki route has attained and its importance to the trade of India. The commercial prospects which it has opened up were, in fact, in 1902 considered sufficient to justify the Indian Government in constructing a railway on the broad-gauge system, which will follow closely the caravan route. The undertaking, which was sanctioned in August 1902, has already been put in hand, and the new line, which is to branch off from the main line to Quetta near Spezand, will, it is expected, be terminated at Nushki in about two years at a cost of £5,000,000. Its completion will undoubtedly give a great impetus to trade, for Nushki, which is surrounded by good grazing ground, is a much better starting-point for caravans than Quetta. From Nushki to the Persian frontier there is an unbroken plain, so that an extension to Sistan, if it were at any time desirable, could easily be effected.

The importance of Sistan to India justifies every effort that can be made to promote commerce and maintain the freedom of trade. Nor is the interest of India in this matter purely commercial. "Sistan alone, amidst the wilderness of East Persia, would afford her, in virtue of its natural resources and of its geographical position, a tempting field for economical and political expansion, as well as an admirable strategic base for future military operations." It may be noted that the possible effect of the Nushki-Quetta Railway on the relation of India with Sistan has not been overlooked in Russia. As soon as the construction of the line was decided on, the *Novoe Vremya* remarked that this railway formed a menace to the probable route of Russia's march upon India. "This fresh enterprise of Great Britain," it continued, "must not remain unanswered on our part, as otherwise the equilibrium at present existing will be in danger of being disturbed. When Great Britain, through her railway, takes the

direction of Sistan, that province, the political and economic importance of which is enormous, will be included in the British sphere of influence—a thing which we must not and cannot allow." And again:—"Great Britain must know that the great importance that Sistan has for us does not allow us to view with indifference any demonstration whatever of her aggressive policy, and that we are bound to reply to every step she takes in the direction of Sistan by taking a similar one ourselves."[1]

The first line of telegraph in Persia, from Teheran to Sultanieh, was constructed in 1859 and continued in 1863 to Julfa on the Russian frontier. In the same year a convention was signed between the British and Persian Governments for the construction of a one-wire line at the cost and under the supervision of the British Government. In 1865 a new convention providing for a second wire was concluded, and for some years messages were transmitted *via* Constantinople, Baghdad, and Teheran, to Bushire. By the convention of 1872 a third wire was added, and there is now a three-wire line on iron posts from Julfa to Bushire, 415 miles of which belongs to the Indo-European Telegraph Company and 675 miles to the Indian Government. It is worked throughout by an English staff. At Bushire it joins the cable to Jask, and the remainder is a land line joining the Indian system at Karachi.

In January 1902 a new agreement was signed with the Persian Government sanctioning the construction of a parallel land line branching off at Kashan and reaching the Baluchistan frontier *via* Yezd and Kerman. This new line is to be of three wires, one for local work, the others for international traffic. The cost of construction is to be borne by the British Government, and the use of the line when completed is to be leased

[1] *Times*, January 7th, 14th, and 28th, 1903. *Daily Mail*, August 12th, 1902. "Foreign Office Reports," Annual Series, No. 2,921. *Board of Trade Journal*, March 14th, 1901. *National Review*, July 1902. Yate, "In Khorassan and Sistan," p. 90.

to the Indo-European Telegraph Department at a rental of 4 per cent. on the capital expended on its construction, three-quarters of such rental to be retained by the British Government to recoup them for the advances made, and one-quarter to be paid annually to the Persian Government. The maintenance of the line is to remain in the hands of the British director and staff, the cost being defrayed by the British Government. This convention is to remain in force until January 1925, when it may be renewed, but it is competent for the British Government, after giving six months' notice, at any time before the expiry of the convention, to hand over the line in its existing condition to the Persian Government and to withdraw its officers and employés from the country. Preparations are also being made for the construction of a line from Meshed to Sistan, about 300 miles in length. During the year 1899-1900, 152,837 messages were transmitted by the English Government and Indo-European Telegraph Company's lines. The income of the Indo-European Telegraph Department for the year was £111,867, that of the Indo-European Telegraph Company for the same period £154,926.[1]

In 1889 the Shah granted a concession to Baron Julius de Reuter for the formation of an Imperial Bank of Persia with a head office at Teheran. The bank was formed in the autumn of the same year and incorporated by Royal Charter, dated September 2nd, 1889. The authorised capital is £4,000,000 sterling and may be increased. The capital at starting was £1,000,000, but in consequence of the fall in silver it was reduced in December 1894 to £650,000. The bank has the exclusive right of issuing bank notes, which are not to exceed £800,000 without the consent of the Persian Government. The manager is Mr. Joseph Rabino, who "as far as the English language

[1] "Encyclopædia Britannica," Article, "Persia." "Foreign Office Reports," Treaties Series, No. 5, 1902. "Statesman's Year-book," 1902, p. 931. *Times*, September 3rd and 5th, 1901.

goes, may be said to be the only authority on the monetary system of Persia." The bank was granted the exclusive right of working the minerals and metals throughout the empire not already conceded. These rights were made over in 1890 to the Persian Bank Mining Rights Corporation, which, however, was unable to cope with the difficulties of transport and went into liquidation in 1894. The bank also holds a concession for a road from Ahwaz to Teheran *via* Burujird. Branches of the bank have been opened at Tabriz, Meshed, Resht, Ispahan, Yezd, Shiraz, Bushire, and Bombay.[1]

It has been shown how important, both in its present state of development and in its future potentialities. is the commerce of Persia to Great Britain and to India. But in countries like Persia and Turkey commercial progress is hindered, and may be annihilated, if it is not backed by political control. If we are to develop or even to maintain our trade with Persia, we must secure political pre-eminence over all other Powers in the Persian Gulf. India, as already shown, has large commercial interests in Persia, and also—though owing to the absence of statistics it is impossible to estimate their extent—in Mesopotamia. These markets India has made her own, and naturally looks to Great Britain to protect her in them. Whatever claims may be put forward by other countries to the control of the Persian Gulf, Great Britain unquestionably has a prior claim in virtue of the great work she has done there for the last century and more, in pacifying the whole region and opening it up to the peaceful enterprise of all friendly nations.

Captain Mahan, in his article on the Persian Gulf contributed to *The National Review*, summarised the manifold reasons why Great Britain should retain an effective control of the Gulf under three main heads. "First, her security in India, which would be materially

[1] *Morning Post*, June 20th, August 20th, 1902. "Statesman's Yearbook," 1902, p. 930.

affected by an adverse change in the political control of the Gulf; secondly, the safety of the great sea route, commercial and military, to India and the Farther East, on which British shipping is still actually the chief traveller, though with a notable comparative diminution that demands national attention; and thirdly, the economic and commercial welfare of India, which can act politically *only* through the empire, a dependence which greatly enhances obligation. The control of the Persian Gulf by a foreign State of considerable naval potentiality would reproduce the relations of Cadiz, Gibraltar, and Malta, to the Mediterranean. It would flank all the routes to the Farther East, to India, and to Australia, the last two actually internal to the empire, regarded as a political system."

Captain Mahan has in a previous work pointed out the extreme political, and therefore strategic, importance of the Persian Gulf and the railway which will ultimately unite it with the Mediterranean. The regions which find their centre about the Levant and Suez possess this importance, because they affect the question of communication between Europe, India, and China, not to speak of Australia. "Unless Great Britain and Germany are prepared to have the Suez route to India and the Far East closed to them in time of war, they cannot afford to see the borders of the Levant and the Persian Gulf become the territorial base for the navy of a possible enemy." Russia's desire for such a base is no secret. The *Novoe Vremya* of March 31st, 1903, stated quite plainly that the object of Russian policy in Asia was the attainment of an outlet to the ocean both in the Near and Middle East. "Such," it said, "is the real object of our advance across the steppes and sandy wastes of Central Asia, an advance which proceeds at times almost imperceptibly, but nevertheless all the more irresistibly. It would be premature to determine beforehand the bounds of this advance, but it is absurd to imagine that it will stop in Central Asia."

There are those in England who have not hesitated to advise a joint understanding between this country and Russia whereby a naval station on the Gulf might be conceded to the latter. This course is urged in the belief that, with the attainment of another outlet on warm water, Russia's demands will be satisfied once for all, and that Great Britain, having thereby secured the friendship and gratitude of her old rival, will henceforth have nothing to fear from Russia in India. Such a view must, however, seem unduly sanguine; it is certainly unwarranted by the action of Russia in the past, or by her present policy in Manchuria, which stands in the same relation to the China Seas that Persia holds to the Persian Gulf. The Russian policy of conquest and colonisation knows no finality, and concessions have proved again and again to be the least effective mode of impeding her onward march. The disastrous results of such a concession have been clearly indicated by Captain Mahan. "Concession in the Persian Gulf," he says, "whether by formal arrangement or by neglect of the local commercial interests, which now underlie political and military control, will imperil Great Britain's naval situation in the Farther East, her political position in India, her commercial interests in both, and the Imperial tie between herself and Australia."[1]

Koweit, which a few years ago was an almost unknown name, is likely to become in the near future a place of international importance. Situated at the head of the Persian Gulf, on the sea and with a fine natural harbour sheltered against all but westerly winds, Koweit occupies a position of vantage incomparably superior to that of Bussorah or Mohammerah, which are approached by shallow and sandy rivers. The future importance of the place is assured by the

[1] *Times*, April 1st, 1903. *National Review*, September 1902. Mahan, "The Problem of Asia," pp. 76-7, 119-20. H. Norman, "All the Russias," p. 256.

fact that it has been suggested as the probable terminus of the Baghdad Railway, a line which cannot fail to exert great commercial and political influence. It is useless now to speculate upon what Koweit might have been had the Euphrates valley railway, suggested fifty years ago by General Chesney, ever been built. The field is now occupied by the Baghdad Railway scheme, which, if ever carried into effect, will assure the predominance of German influence in Asiatic Turkey.

Although nominally part of the Ottoman Empire, down to the year 1870 Koweit enjoyed a real and almost a formal independence. Since that time various attempts have been made to induce the Sheihk to acknowledge the supremacy of the Sultan of Turkey from a political as well as from a religious point of view. In August 1901 a determined attempt to force a Turkish garrison upon Koweit was only prevented by the opportune presence in the bay of a British gunboat, whose commander stopped the landing of 500 men from a Turkish corvette. The incident was useful in directing attention to the peculiar conditions of the place, which render it most inviting to the foreign Powers whose interests lie in this region. It is hardly to be expected that Turkey will allow a place, which has already acquired international importance, to retain a status so undefined as that which Koweit now occupies. Russian consuls have visited the town and have anxiously impressed upon the Sheihk the advantages of friendship with Russia. Our own relation to the Sheihk is simply that of the general guardianship which we exercise throughout the Gulf, and in protecting him from the attack of the Turkish soldiers we claimed to be merely maintaining the *status quo*.

A consideration of the extent of our interests in this region will show how important it is that the international situation should not be altered to our prejudice. Bussorah, which is the port of entry for our trade with Baghdad and Kermanshah, has at

present an annual export trade of over a million sterling (in 1901 £1,152,000), although all circumstances, natural and artificial, combine to place hindrances in the way of commerce. The Shatt-el-Arab and the Tigris are shallow and winding, they are subject to heavy rises and falls, while their channels are constantly changing owing to the formation and disappearance of shifting sandbanks. The artificial hindrances to traffic are still more serious. The Euphrates is closed throughout its course to foreign vessels, as is also the Tigris above Baghdad. Messrs. Lynch are allowed to employ two steamers between Bussorah and Baghdad with a lighter in tow, but this scanty provision fails entirely to cope with the accumulation of goods awaiting shipment. The cost of freight under these conditions is so high that it costs more to take goods from Bussorah to Baghdad than to bring them all the way from London to Bussorah. In 1901 this accumulation was so great, owing partly to the abnormally low state of the river, that through bookings had to be suspended for several months. Quarantine regulations are also rendered specially vexatious to English ships; to quote a consular report, they "still appear to aim at the maximum of obstruction combined with the minimum of efficiency."

This strangulation of trade at its principal outlet is responsible, not only for the comparatively small trade between Baghdad and British India, but also for the neglect of the markets of the interior which might be reached by the Kermanshah route.

"There are but few towns in Persia which show to-day so flourishing a condition, from a trade point of view, as Kermanshah, and this in spite of oppression by the local governor and the badness and insecurity of the roads radiating from it. Kermanshah is the port of entry for all goods entering Persia from Baghdad, coming from England and India *via* the Persian Gulf and the Tigris. It is practically the only route avail-

able for Western Persia, now that the Luristan road can no longer be relied upon, supplying such districts as Kurdistan, Hamadan, Irak, and even competing seriously with the trade of the European merchants of Ispahan. The commercial importance of Kermanshah has gradually developed since the opening of the Suez Canal, and is due to its being the frontier town on the trade route between Baghdad and Persia."

It has recently been shown that, even in its present ill-developed condition, Kermanshah is hardly inferior to Bushire as a port of entry for British Indian goods. The figures supplied by the Belgian Director of Customs for 1901-2 show that the value of goods imported to Kermanshah by the Baghdad route was £866,000, of which some £700,000 worth were of British and Indian origin. The average of the last three years of the imports of Bushire from Great Britain and India is £775,000, so that the difference is not very great. As a port for export Kermanshah cannot yet compare with Bushire, but its possibilities are stated to be infinitely greater. The district surrounding Kermanshah is one of the few in Persia where crops can be raised without the aid of irrigation, and wheat is sold there at about sevenpence per cwt. It also affords excellent grazing ground, and might produce large supplies of wool for export. "The vast flocks of the Kurds and Lurs grazing all over the green hills . . . supply a great quantity of fair quality wool, which might be vastly improved by a little care in breeding." But the difficulties of transport on the Tigris are an insuperable bar to the development of trade in Kermanshah. To take a single instance: "Messrs. Ziegler, who send no less than £60,000 worth of carpets to Europe, have now decided to export solely by way of Resht and the Caucasus, though that route is at least 20 per cent. more expensive than the Bussorah route, because the goods are not subjected to the irritating delays of the Tigris river service."

The potentialities of Western Persia and Turkish

Arabia, if trade were not confined to caravans and water-borne traffic, are large, and with the construction of the Baghdad Railway will be indefinitely increased. A railway cannot fail to prove a civilising agent to the country through which it passes; Turkish misrule will give place to order and security, local traffic will spring up, and new markets be created. To a certain extent, therefore, British trade will be benefited by the opening of the railway; but if there is more trade there will also be more people to share it, and the Germans who have built the line will hold a position of easy superiority over all other competitors. The facilities which the railway, with its direct approach to the Gulf, will possess over river steamers, hampered by all the restrictions described above, must prove extremely detrimental to British commerce, unless some measures are devised whereby they may be counteracted. The obvious remedy is the improvement of the channels for water-borne traffic. The Euphrates is known to be navigable at times as far as Meskene, for the Turks have run a small steamer to that point; it ought, therefore, to be quite possible without great outlay so to deepen the channel that a continuous waterway for light-draught steamers might be opened. On the Upper Tigris a small steamer has plied occasionally between Baghdad and Mosul, and the natural obstacles to navigation might probably be removed as far as Diarbekr. If the Tigris and Euphrates were thrown open without restriction to the enterprise of the world, we should be in as good a position as we can now hope for to meet the competition of the coming railway, not only in Bussorah and Baghdad, but in many other markets accessible from their upper reaches.[1]

The actual construction of the Baghdad Railway, long deferred for want of funds, seems likely now to

[1] *Times*, October 2nd, 1901; December 25th and 26th, 1902. *Weekly Times*, October 4th, 1901. *Morning Post*, July 11th, 1902. "Foreign Office Reports," Annual Series, No. 2,835; Miscellaneous Series, No. 590, pp. 20-21.

be indefinitely postponed. The preliminary convention by which the Anatolian Railway Company acquired the right of extending their line to the Persian Gulf was concluded in December 1899; the work was to be financed by French capitalists. This convention was superseded in January 1902 by the concession which definitively gave to the German railway group the right to build and work a line between Konia and the Persian Gulf. In February 1903 the shares were allotted in equal portions of 40 per cent. to the French and German groups, and it was agreed that the remaining 20 per cent. should be offered to other Continental capitalists. In view, however, of the fact that the proposed terminus was to be on the Persian Gulf, it was thought advisable to offer a share in the enterprise to British capitalists. This offer was accepted in principle, provided that the British share should be equal to that of the French and Germans. Matters had reached this stage when the British financiers consulted the Prime Minister as to whether they would have the approval of the Government in taking the step contemplated. The scheme was, on April 8th, 1903, laid by Mr. Balfour before the House of Commons, and at once excited widespread discussion both in this country and in the Continental press.

The text of the proposed agreement, published in *The Times* on April 22nd, showed beyond a doubt that the conditions suggested did not give to Great Britain that position of absolute equality on the Board of Directors which she had demanded; and it also showed that the undertaking was a German and not an international enterprise. The Council of Administration was to consist of eleven members, three of whom were to be Germans and three Ottoman subjects, over whom Germany would be able to exercise complete control. Not content with keeping the railway in German hands, the promoters had secured for themselves ample privileges for the use of steamers

on the Shatt-el-Arab, the Euphrates, and the Tigris, where, as we have seen, the Turkish Government have persistently obstructed British merchants for so many years; and they had acquired the right to establish ports at Baghdad, Bussorah, and a terminus at Koweit—a place of which, according to the British view, the Sultan had no right to dispose. Great Britain was further asked to promise to use the projected line for the conveyance of her Indian mails, and to exert her influence with the Sultan to obtain a terminus at Koweit, and to raise the required kilometric guarantee by means of an increase in the Turkish customs tariff.

These conditions met with general disapproval in this country: the increase of the customs tariff would have injured British merchants more than those of any other nation, because the bulk of trade to the Levant is in their hands, and the route which was to be provided at their expense was to be used to the detriment of the Peninsular and Oriental Steamship Company, which now receives a Government subsidy for the carriage of the Indian mails. On April 22nd Mr. Balfour stated, therefore, that "after careful consideration of these proposals, His Majesty's Government have come to the conclusion that the terms proposed do not give to this country sufficient security for the application of the principles above referred to (equality of control); and they have, therefore, intimated that they are unable to give the suggested assurance with regard to the policy which they might hereafter adopt as to the conveyance of the Indian mails . . as to facilities at Koweit, or as to the appropriation of a part of the Turkish customs revenue in aid of the contemplated guarantee." The refusal of England to finance the project has caused the postponement of the entire scheme. A German railway to the Persian Gulf is, of course, a matter which cannot be viewed with equanimity by Russia, and M. de Witte has recently (June 10th, 1903) stated in conversation

with the manager of a French newspaper that he cannot see "how France can reasonably favour at the expense of her purse an undertaking which in the first place is German, in the second anti-Russian, and lastly, involves so much uncertainty."[1]

Twenty years ago the only Power from which Persia had anything to hope or fear was Great Britain; to-day such phrases as the "Russification of Persia" and even the "Germanising of Persia" indicate the change which has taken place in the relation of Persia and the Powers. By a well-defined and far-seeing policy Russia has made her influence felt in every department of Persian life. The only regiment in the army capable of effective action is the Cossack regiment, drilled, paid, and officered by Russia. The financial future of the country lies in Russian hands, while its trade is being more and more diverted to Russian markets. While Russia has made this great advance, our own prestige has remained stationary, if it has not positively declined. The one region in which we have taken a forward step is in Sistan, where the Nushki-Quetta Railway will undoubtedly prove of the highest importance, both from a strategic and commercial point of view. Our trade, as we have seen, though not declining, is advancing less rapidly than that of Russia, and, since it relies simply on the enterprise of our merchants and the superiority of our manufactures, it must feel very severely the competition of Russian subsidised and bounty-fed commerce. In this respect, however, there is no actual cause for alarm, either present or prospective. Our consular service in Persia has been increased. In 1900 vice-consulates were created at Bunder Abbas and Sistan; in 1902 the latter post was raised to the rank of consulate. In 1900 a political agent was sent to reside at Bahrain, in 1902 a consular attaché was appointed at Shiraz, and the consulate at Ispahan was raised to a consulate-general. And on May 5th, 1903,

[1] *Times*, April 18th, 22nd June 10th, 1903.

Lord Lansdowne informed the House of Lords that it was proposed either to create a certain number of Persian studentships to form part of the Levant consular service, or to create a separate consular service in Persia.

England has not lost ground in commerce so much as in political prestige. There can be little doubt that when we refused the loan which Russia accepted, a great opportunity was missed. "By financing Persia as she has done during the last few years, Russia has secured a grip of the entire Persian administration which nothing can shake," while with an institution such as the Banque d'Escompte at her command, she can manipulate the entire commercial policy of the country in her favour. The recent revision of the Treaty of Turchomanchai in a manner peculiarly unfavourable to Great Britain shows how powerful is the instrument of which she has thus obtained control. The secret protocol which gives Russia the exclusive right of building railways in Persia deals another blow at British prestige. It is true that, if the field were open, we might hesitate to construct railways in a country where there can be so little prospect of an immediate return upon the capital expended. Russia is in an entirely different position, for, though the construction of railways in Persia may be ostensibly a private undertaking, it will, of course, receive a State subsidy, and can afford to disregard the question of profits—in other words, its importance to the Russian Government will lie in the strategic, not in the commercial sphere.

The first Russian railway in Persia will probably be that from Askabad to Meshed, the surveys for which have already been made; its extension as far as Sistan is only a question of time, while a terminus on the Persian Gulf is no doubt its final objective. If this is ever permitted, if such a railway is constructed, with all the political and military consequences which it must involve, it must revolutionise the conditions

upon which our whole system of Indian defence has been built up. The advance of Russia across Central Asia has compelled the Indian Government to expend vast sums on the defences of the north-west frontier, —the one quarter in which India was believed to be open to attack by a land Power. The protection we have extended to Afghanistan and Baluchistan has been actuated by a desire to interpose the shield of a friendly native State between our Indian dependencies and the military force of Russia. But if Russia were allowed to advance towards the sea along the eastern frontier of Persia, our precautions would be wasted, our flank be turned, and India exposed to all the dangers of immediate contact with a great military Power. To protect India from the danger which may at no long distance of time threaten her, to maintain our commercial supremacy, at any rate in the south, to recover the political prestige we have lost with the central and local governments, and to substitute a clearly defined policy for vague assurances about maintaining the *status quo*—these are the immediate tasks of British diplomacy in Persia. The Government at home must make up its mind while there is still something to offer, and while we still have friends who will fight for us.[1]

5. Caucasia and Armenia

The province of the Caucasus, as it now exists, was wrested from Persia and Turkey during the first half of the nineteenth century. In 1801 the Tsar, Alexander I., entered Georgia and annexed it by proclamation, simply, it was stated, "in the interests of justice, of security of persons and property." There were, it is true, abundant reasons which might have been urged in justification of this excuse. A French civil engineer, who travelled in the Caucasus about 1840, thus describes its condition: "It must be admitted that when the

[1] *Times*, January 17th, May 6th, 1903.

Imperial armies appeared for the first time on the confines of Asia, the Trans-Caucasian provinces were abandoned without defence or hope to all the sanguinary horrors of anarchy. Turkey, Persia, and the mountain tribes, rioted in the plunder of Georgia and neighbouring States. The advent of the Russians put an end to this state of things, and introduced a condition of peace and quiet unknown for many centuries before." Mingrelia was seized in 1803, and Imeretia in the following year. The Treaty of Gulistan in 1813 confirmed Russia in her new possessions, and gave her the exclusive right of navigating the Caspian. It did not, however, define the boundary between Russian and Persian territory, and, so far from settling the differences between the two countries, it rather increased them. Border warfare was carried on intermittently for several years, during which time the Persian army was drilled and officered by Englishmen. Confident in their remodelled army and longing to match their strength against the enemy, the Persians in 1826 took the offensive, massacred a Russian garrison, and, led by Abbas-Mirza, the son of the Shah, entered Russian territory. The Russians under General Paskievitch, who then began the series of victories which were to make him famous, encountered and utterly defeated the Persians near Elizabetpol.

The war which followed was a series of triumphs for Russia, and in 1827 Persia was compelled to beg for peace. The Treaty of Turcomanchai, signed on February 21st, 1828, confirmed to Russia the advantages gained by the previous treaty and secured her in the possession of the provinces of Erivan and Nakhitchevan. The successes of Paskievitch in Asia had been matched by a parallel series of victories over the Ottoman Power in Europe, and when the war in both regions was brought to an end by the Treaty of Adrianople in 1829, Russia obtained the fortresses of Poti, Akhaltsikh, and Anafa on the Black Sea. The whole of the Caucasus was thus nominally converted into Russian

territory, but the work of consolidating the conquest was not accomplished without many struggles. "In the depths of its lofty forests, in its valleys shut off from one another by parallel mountain ranges, dwelt a fierce population who owned no master. What did it matter to the Tcherkesses that the Sultan had ceded all the populations between Kouban and the Black Sea? The Sultan in their eyes was only the chief of the faithful, and had no right to dispose of them." Independence was a passion with these mountain tribes, and the Russian domination weighed heavily upon them, curbing their freedom of action.

It was, however, in the end, not love of liberty, but religious zeal which drove the inhabitants of the Caucasus to rebellion. A seer of Daghestan, Mullah Mohammed, called upon the faithful to suppress their differences and unite in one body against the infidel. He quickly gained adherents; one Russian general retreated before him, another suffered actual defeat. The second attempt of Russia to crush him was more successful; Mullah was killed in battle, and Shamyl, the most famous of his followers, was wounded. With the defeat of Mullah in 1832 the pacification of the Caucasus was believed to be complete. Suddenly, however, Shamyl, who was believed to have received his death wound, reappeared and reanimated the drooping hopes of the tribesmen. His almost miraculous escape from a stronghold, where he had been hemmed in by Russian soldiers, increased his influence among the people and confirmed their faith in him. A second attempt to surround him in his mountain fastness ended in the almost complete annihilation of a Russian column (1842). In 1844 fresh efforts were made to subdue him; Voronzoff was appointed, with extended powers, and instructions to act simultaneously on both sides of the Caucasus. Gradually Shamyl was hemmed in, and in 1859 his fastness at Gunib was surrounded and he surrendered at discretion. Active resistance was kept up for another five years, but it was useless.

The tribes of Northern Caucasia were the first to abandon the struggle and to leave their country. A few months later the Tcherkesses of the south followed their example, and were deported to Trebizond, Sinope, Varna, and elsewhere. The number who left the country was estimated at 200,000, two-thirds of whom perished of want and disease. The deserted country was then pacified, forts were built, forests cleared, and roads made. During the last twenty years the population has doubled, a thousand miles of railway have been laid down and five hundred more are being constructed; the commercial towns of Tiflis, Baku, Batum, Erivan, and Kutais testify to the flourishing condition of internal trade.[1]

The province of the Caucasus forms about 2 per cent. of the entire area of the Russian Empire, but no other district presents in so small a space such wide diversities of climate, population, and produce. This variety is to be explained by its geographical position in the south of Europe, combined with the great elevation attained by its lofty mountain plateaus. The Caucasian Mountains, which cross the country diagonally from the north-west to the south-east, divide it into two parts. The northern forms a continuation of the southern steppes of Russia, with a fertile black earth soil adapted to agriculture and cattle breeding. The mountains offer an endless variety of climate and soil, from the warm valleys to the eternal snows which enwrap the summit of the Georgian Road. The Trans-Caucasus, divided by the range of the Little Caucasus into eastern and western divisions, presents an equal variety of climate and surface. The altitude of the province ranges from 85 feet to over 12,000 feet above sea level; the mountains divide it into separate and almost closed-in valleys, each with its own characteristics of climate and vegetation; the country lies in near proximity to the

[1] Créhange, "Histoire de la Russie," pp. 163-9, 252-3. *Pall Mall Gazette*, April 1899.

hot plains of Asia, but it is also washed by two warm seas, which do much to mitigate the natural dryness of the atmosphere.

In Western Trans-Caucasia the rainfall is super-abundant, but as one proceeds from west to east summer heat and dryness increase, until in the eastern province the rainfall is so slight that artificial irrigation is absolutely essential. The shores of the Caspian Sea form to some extent an exception, for there, especially on the slopes of the mountains facing the sea, the rainfall is heavy. The area of irrigated land in eastern Trans-Caucasia is over 1,000,000 dessiatins, yet this is hardly a half of the area which might be brought under cultivation by an extended system of irrigation. The mean temperature at Batum is about the same as that of Nice or Lisbon, and in the coldest winters the temperature does not fall below 6° or 7° (Celsius), and that only for a short time; in some years it does not freeze at all. In the elevated and eastern regions of the interior, however, the cold is much more intense. At Kars and Ardazane the winter temperature is even lower than that of St. Petersburg. Summer heat is great throughout the whole of the Caucasus, the hottest part being eastern Trans-Caucasia, where the thermometer sometimes marks 40° C. in the shade. At Erivan, which has an altitude of over 3,000 feet, the summer temperature reaches 36° C.

From an ethnological point of view the Caucasus presents an even greater variety of interest. The aboriginal inhabitants have left no trace behind them, but the successive waves of immigration and of conquest which have passed over this high-road between east and west since the dawn of history have left behind them that mosaic of races which forms the present population. M. de Semenov estimates the number of different races now to be met with in the Caucasus at between forty and fifty, most of which, however, are numerically small, and, living as they do an isolated life in the shut-in defiles of the mountains,

exercise no influence on the economic condition of the country. The total population, according to the census of 1897, was 8,372,000 persons, or 20 per square kilometre. Russians, who constitute only 25 per cent. of the population, are chiefly confined to the northern Caucasus and to the large towns; there are also some rural colonies, formed chiefly by Russian sectaries. Western and a large portion of central Caucasus is inhabited by Georgians; the southern part by Armenians, who form 15½ per cent. of the entire population; Daghestan and the Caucasus range by mountain tribes; and the eastern Caucasus by Tartars. The majority of the non-Russian inhabitants are Mohammedans of the Sunite sect.[1]

The mineral deposits of the Caucasus are practically unlimited in quantity and of extraordinary variety. Half of the world's supply of manganese ore comes from the Caucasus, the yield in 1900 being 426,000 tons. As a copper-producing district it stands next to the Urals; the total production of pure copper in 1900 amounted to 3,743 tons, or nearly one-half of the total production of copper in the Russian Empire. Other minerals are lead, zinc, mercury, sulphur, iron, glauber salt, and common salt. But the chief mineral wealth of the country consists in its naphtha wells, the development of which has been so rapid during the last decade that the Caucasus now ranks as the chief oil-producing country of the world, a position formerly held by America. Naphtha is at present worked at Baku, Ilski, and near the town of Grozny.[2]

Although Caucasia has been so far pacified that no serious political outbreak against the Government need be anticipated, the country is still far from having attained to internal order or security. The secret Report on the Caucasus made by Prince Galitzin to the Tsar in 1898, extracts from which appeared in *The*

[1] "La Russie extra-Européenne et Polaire," pp. 197-201. "The Industries of Russia," p. 424.

[2] H. Norman, "All the Russias," p. 220-27 *Board of Trade Journal*, January 9th, 1902, p. 71. "Russia: its Industries and Trade," pp. 293-4.

Times of April 5th and 11th, 1899, stated that constant warfare had for two or three years been going on between the Russian authorities and the lawless element of the native population. Brigandage and murder had increased to an alarming extent, and pitched battles were of frequent occurrence. In 1898, 184 brigands were captured and 35 killed in fights with the police and troops. Prince Galitzin wrote: "I have to inform Your Majesty that the causes of brigandage are very complicated. They are to be found partly in the conditions of life of the population, partly in the inefficiency of the police, and finally in the defects, as regards this matter, of present judicial and administrative regulations. . . . Great criminality was discovered among the Tartar inhabitants of the Bortchalinsk district of Tiflis, where seven brigands were being harboured, all of them either escaped convicts or other criminals charged with various crimes. I ordered a revision of this district, which disclosed complete inaction and abuse of power on the part of the chief officer of the district, the men of the frontier guards, and members of the police force." "Last summer there was a sudden increase of brigandage in the province of Elizabetpol, where the brigands and runaway prisoners had hitherto confined themselves to attacking private individuals, avoiding resistance to the representatives of authority, unless driven to extremities. Now they had regular battles with the police at every encounter, and practised their customary cruelty. This was explained by the conduct of the local administrative officials, who adopted the view that brigandage was an essential characteristic of the native population, not to be dealt with by decisive measures, which were dangerous for those who had to execute them. They considered it useless to search for brigands, or to prosecute those who concealed them."

Prince Galitzin gave a very bad character to the Zemsky, or rural police, an incompetent and corrupt body of men. They were accused of robbery and blackmailing, and of assisting brigands to escape, while

their close connection by family ties with the native population was said to render them entirely untrustworthy. The Governor-General, therefore, proposed to reform and augment this force, recruiting it as far as possible from Russians, and raising the very low rate of pay which formerly obtained. The cost of the proposed reform was held to be insignificant in comparison with the advantages it would secure, as the future development of the country depends upon an influx of capital, and "in its present condition of complete insecurity for life and property, the application of labour, knowledge, and capital is not without risk." Other reforms proposed were the prohibition of the import of firearms, and a more effective control of convicts sent to Siberia, who at present can easily escape and return to their old haunts and nefarious pursuits. This report was annotated by the Tsar, and to the proposed plan of police reform, he replied by the following marginal note: "Seriously investigate the matter, and lay before me some kind of positive decision." It would appear, however, that little has yet been done, for Mr. Consul Stevens, in his report for 1902 on agriculture in the Trans-Caucasus, stated that crime of every description, principally due to vengeance or cattle-lifting, was rife throughout the Caucasus and greatly hampered both farmers and peasants. The *Novoe Vremya*, in October 1902, referring to the same subject, said: "Not only is there no decrease in brigandage in the Caucasus, but the outrages are increasing in number and assume every day a more audacious and formidable character. They, moreover, extend over a much wider territory, and are no longer confined to the country beyond the mountains." The *Novoe Vremya* urged the Government to increase the proportion of Russians among the Caucasian peasantry, where at present only 2 per cent. are of Russian blood. In October 1902, on parts of the Caucasian Railway, guards were authorised to carry rifles, a measure of precaution rendered necessary by the frequent outrages

committed upon travellers, while even the mail service was subject to the attacks of the brigands.[1]

The immigration of Russians to the Caucasus, which, as has been seen, is considered desirable with a view to securing internal order, has hitherto been hampered by the slowness of the authorities to authorise the transfer of land. The subject of the settlement of Crown peasants, or of Russian peasants settled on Government land, was dealt with by Prince Galitzin, to whom a projected law was submitted in 1897. He found it aimed at a general change in the existing agrarian circumstances of the colonists, by cutting off land from those who had an abundance of it, in order to provide for fresh holdings, which were to be occupied by peasants transferred from other villages. It also established a normal size for holdings for the country generally, based on considerations of the quality and advantages of the land. Prince Galitzin and his Council disapproved of this plan, and suggested that the land settlement of Crown peasants should be carried out in accordance with the conditions of each province, leaving questions of size to be settled when the new law came into force. He insisted on the urgency of the measure as the best means of introducing Russian land tenure and settling Russian peasants in the Trans-Caucasus. The efforts of the Tiflis authorities to promote colonisation were formerly checked by local reports stating that there was no more land available for the purpose. Recent inquiries, however, made by the Ministry of Domains give good reason for believing that there is plenty of suitable land for more Russian colonists. Meanwhile local governors have been asked to verify the facts, so that immigrants may be spared the ruin which overtakes them when, on migration to some distant spot, it is found utterly unsuited to their requirements. As soon as this has been done Prince Galitzin intends to ask for

[1] *Times*, April 11th, 1899; November 3rd, 1902; January, 1903. "Foreign Office Reports," Annual Series, No. 2,916.

the extension to the Caucasus of the law of July 25th, 1889, as to voluntary immigration of peasants and their settlement on Government lands.

The settlement of numbers of Armenians during recent years in the Caucasus has directed the attention of the Government to the subject of alien immigration and the holding of land by foreigners. It is admitted that the quantity of real estate owned by foreign subjects in the Caucasus is very small, but the rapid advance of railways and the natural riches of the country must inevitably attract enterprising strangers, who will certainly turn their attention to the land as the basis of all industry on a large scale. At the same time, the Caucasus is not in a position to do without foreign assistance. This co-operation should, therefore, not be hindered by an unconditional prohibition of foreign ownership in land, which would stem the inflowing tide of foreign capital. Prince Galitzin, under these circumstances, proposed to extend to the Caucasus the law of March 14th, 1887, passed originally to prevent the acquisition of land by foreigners in the Polish provinces, on condition that the authorities "should be allowed to make exceptions to the proposed restriction in those cases in which landed property acquired by foreigners was intended for the erection of works, mills, or for other useful industrial purposes." This extension in a modified form was made applicable by Imperial decree to the Black Sea coast, and the Turkish and Persian frontiers in June 1898.

Since the pacification of the country and the construction of railways the commerce of the Caucasus has attained a considerable degree of development. In 1897 the value of exports was estimated at 54,500,000 roubles, of imports at 34,000,000 roubles. Besides its great mineral wealth, the Caucasus presents a large variety of agricultural products. Grain of many kinds —wheat, barley, maize, and rice—is exported in considerable quantities, the value of this export from the

port of Batum only in 1901 being £57,000. Liquorice root worth £179,000 was exported in the same year, chiefly to the United States. Cotton is grown in the districts of Erivan and Baku, but it is all absorbed by the mills of Moscow and Lodz, and does not come upon the world's market. Cotton milling promises to become an industry of considerable importance. The mill erected at Baku in 1900 doubled its plant in 1902, as it was unable to deal with the orders received. Sunflower seed is being cultivated in larger and larger quantities year by year, and, in consequence of the growing scarcity of linseed, it has a great future before it. H.M. Consul at Novorosseisk reported in 1902 that the crop had been enormous, and the area under cultivation had greatly increased. In spite of a fall in price, the rates obtained were still high, owing to the continually increasing demand for sunflower oilcake in Denmark. Tea growing, which is confined to the neighbourhood of Batum, was reported in 1899 to have passed the experimental stage. In 1902 the land under tea yielded £30 an acre, and, owing to these satisfactory results, the Ministry of Agriculture has adopted measures for the encouragement of tea growing by the peasantry. The cultivation of silk has been improved of late by the establishment of a centre at Tiflis for the distribution of healthy eggs. Cocoon silk is now exported to France. Amongst dairy produce the export of eggs from Batum to the United Kingdom and Germany is steadily increasing. The egg trade for the season of 1901 represented a value of some £26,000.

Want of communication is at present a serious obstacle to the development of commerce. The great military highway over the Dariel Pass is practically the one road in the country fit for wheeled traffic, the rest are only passable by pedestrians and animals with pack saddles. The mountain streams are occasionally spanned by wooden bridges, but these are in so unsafe a condition that there is less risk in

using the fords. This state of things exists in the immediate vicinity of towns as well as in the country. Two main lines of railway, the Vladi-Caucasian and Trans-Caucasian, run parallel to the chief mountain range, one on the north, the other on the south of the chain, and connect the Black Sea with the Caspian, but with the exception of the branch line from Tiflis to Kars, a line of great strategic importance, no lines have yet been constructed at right angles to the mountains. The line from Petrovsk to Baku, along the shore of the Caspian, skirts the foot of the Caucasian range. A branch line connects the Tikhoryetskaya station on the Vladi-Caucasian line with Novorosseisk, and is continued north-eastwards to Tsaritsyn on the Volga. Several new lines have, however, been recently projected or begun. A line from Karakles to Erivan has been commenced and will ultimately be extended to Julfa, on the Persian frontier. Surveys are also being made for a line from Baku to Astara and Tabriz. Another line is projected along the coast of the Black Sea to join Novorosseisk with Sukhum and thence be extended to the Trans-Caucasian. There are considerable engineering difficulties to be overcome, owing to the prevalence of malaria in certain districts, but the fertility of the country is undoubted. Tea, tobacco, and other semi-tropical plants can be successfully raised.

The basis of commercial prosperity in Caucasia rests, however, not upon agriculture but upon the mineral oils in which the country abounds; in 1901 they constituted three-quarters of the total exports from the port of Batum. The total export of naphtha from the Caucasus in 1900, the year of greatest prosperity in this industry, was: illuminating oils, 342,340,000 gallons; lubricating oils, 3,466,000 cwt.; residues, 1,370,000 cwt.; vaseline, 48,400 cwt.; and raw naphtha about 1,205,000 gallons. The output of oil has shown an annual increase up to the

present time, but this increase has latterly been attended by a constantly increased cost of working and by the sinking of deeper wells. In 1901 the trade suffered from extreme depression, but this seems to have been due to no more permanent reason than the natural fall in prices following on the excessive inflation and over-production of the previous years. In 1900 crude oil reached the highest price ever known. The old-established companies were unable to meet the demand, new ones were formed, and "the public rushed into these companies with the expectation of tremendous dividends. But no sooner did the new companies begin to produce than prices began to fall. . . . Out of a total of 2,400 producing wells, 1,047 had at the end of December (1901) been stopped as unprofitable to work."

Other causes besides over-production contributed to this result: one of these was the heavy royalties payable in cash exacted by the Government. In spite of the opposition of the older and wealthier companies, who deprecated any change being made in a long-established custom just when the trade was in a critical position, an appeal to Government to substitute payment in kind was made in 1901 by the smaller firms. H.M. Consul at Baku was also of opinion that "should this resolution take effect, production will go up by leaps and bounds, prices will fall, and the last state be worse than the first." The insufficiency of the rolling stock on the Trans-Caucasian Railway was another cause alleged in explanation, but this seems unlikely in view of the fact that heavy stocks of oil were maintained at Batum throughout the year and that the pipe line between Michailova and Batum did not at any time during the year work up to its full capacity. This line is now being extended to Agh-Taglia, east of Tiflis, a distance of about 88 miles, and another pipe line is to be constructed between Baku and Volchi-Vorota, some sixteen miles west of Baku, where a

larger storage accommodation can be obtained than is possible in the limited space at the disposal of the railway at Baku. It is hoped that this line will be completed in 1904 and that it will enable the export of oil to be carried on more rapidly than is at present possible. Exportation to foreign markets seems the best remedy for the present depression, as the Russian demand is limited by the high price of oil, consequent upon a heavy excise duty. "The desire for light among the peasantry is not great enough to make them sacrifice sufficient from their meagre earnings to light their houses with kerosene from Baku during the long winter evenings." The total export of petroleum products from Batum in 1901 was 1,194,182 tons, valued at £4,109,110, and from Novorosseisk 280,946 tons, valued at £1,029,467.

During the summer of 1903 labour riots of a most serious nature occurred throughout the Caucasus. At Baku the oil wells were set on fire by the strikers and great damage done. The causes assigned for these strikes were for the most part trivial, but the new law, by which workmen have a right to appoint a delegate to negotiate with employers, gave the men an unwonted sense of power, and they were exorbitant in their demands. The whole movement is believed to have been largely the work of Socialist agitators.[1]

From a Russian point of view, Orthodoxy and Imperialism are indissolubly united, and Russians outside the pale of the Church are *ipso facto* suspected of disloyalty. The tenets of the Dukhobortsi, more than those of other sects, give colour to this accusation; for they refuse to pray for the Tsar or to acknowledge his authority, and their members exhibit a "spirit of cosmopolitanism and estrangement from the fundamental principles of life as organised by the Russian State." The Russians of the Caucasus are therefore

[1] "Foreign Office Reports," Annual Series, Nos. 2,534, 2,673, 2,782, 2,916. *Times*, July 30th, August 1st, 1903.

unsatisfactory colonists, and unfitted to promote the growth of Russian ascendency, because so many of them belong to some sect of dissenters, and notably to the Dukhobortsi. These people, who are influenced by the teaching of Tolstoy, view war with abhorrence, and their refusal of military service in 1895 led to a general and severe persecution of three years' duration. In April 1897 many of the Dukhobortsi were condemned to be dispersed through different districts under open police supervision. In one district 1,000 out of 4,000 perished during the years of the persecution, owing to want, exposure, and anxiety, caused by their being driven from their homes and forced to settle in places where it was impossible for them to earn a living. When Prince Galitzin visited the Caucasus in 1896 he found sectarian agitators still actively at work. "The greatest energy in this direction," he wrote, "is shown by propagandists of the false doctrines of Count Tolstoy. They carry demoralisation not only into the midst of the Dukhobortsi, but also amongst the rest of the Russian sectarian inhabitants, who for the most part belong to the more negative sects, and represent about one-half of the Russian population." Prince Galitzin noted as "quite a new departure" that the teaching of Tolstoy was gaining supporters among the intelligent classes.

In 1898 the Dukhobortsi, at their own request, were allowed to emigrate, with certain exceptions and on certain conditions. Those who were of age for the army, and had not yet discharged their military duties, were not allowed to leave the country. Those who received permission to go were obliged to obtain passports in the usual manner, to pay all their own expenses, and sign an undertaking never to return to Russia. The leaders and some others, about 110 in all, were exiled to Siberia. The rigorous conditions under which emigration was permitted would have rendered departure impossible if outside help had not been forthcoming. Assistance was given to the

Dukhobortsi by Quakers in England, who sympathised with them in their resistance to military service; and Count Tolstoy decided to publish his novel, "Resurrection," already written, in order to devote the profits to their aid. Thus helped, many of the Dukhobortsi went to Cyprus and some thousands more to Canada, where numbers of them, belonging to the Swan River settlement, perished during the autumn of 1902 on an expedition undertaken in search of "the new light." Prince Galitzin recommended the repeal of the law which permits the banishment of dissenters to the Caucasus, as in its present condition the province is adapted to strengthen rather than to weaken their opinions.[1]

In a country where nationalities are counted by the score, and where all have submitted with resignation, if not content, to Russian rule, it is difficult to understand why any one of these numerous nationalities rather than another should give rise to a "question." The Armenian question is still, however, far from being settled; indeed, as a result of the Turkish massacres of 1894-5 and the subsequent immigration of Armenian refugees into Russian territory, a fresh question arose; for Russia has since had to deal, not only with her own Armenian subjects, but with those of Turkey also, and it is her attitude towards the latter especially which has enlisted the indignant sympathy of Great Britain and America on their behalf.

The reason why the Armenians of the Caucasus are obnoxious to Russia is undoubtedly because their strong sense of nationality and their passionate clinging to the faith and customs of their fathers prevent their adapting themselves to that process of "Russification" which is the destiny that all non-Slavonic subjects of the Tsar must undergo. The great desire of enlightened Armenians at the present time is to secure for themselves education and culture, not antagonistic to the

[1] *Times*, April 11th, 1899; December 8th, 1902. "Resurrection," preface to English edition, p. 6.

traditions of their race and creed. Political independence forms no part of their aspirations now, whatever power this idea may have possessed in the past. Professor Ramsay, whose studies and travels in Asia Minor qualify him to speak with authority on this subject, regards an autonomous Armenia as a pernicious and ruinous dream; and Herr Rohrbach, who has also studied the question at first hand, states emphatically that the Russian Armenians realise perfectly how wildly impracticable must be any attempt to regain their independence. This, however, is what Russia cannot believe; all the efforts made by Armenians to secure education and material improvement for their race on a national basis are construed into political intrigue, and accordingly a policy of severe restriction is practised in every direction.

The present policy of Russia towards the Armenians is to some extent a reversal of her earlier attitude. She first began to interest herself in them when she acquired Georgia in 1801; but it was not till 1828-9 that any appreciable number of them became her subjects. Finding them necessary to the development of her new territory, she left them much freedom, and permitted them within certain limits to develop their national life. Armenians have an aptitude for all the operations of commerce, which made them peculiarly welcome to Russia in her task of developing the industrial life of a country, the other inhabitants of which have little liking for any of the pursuits of modern civilised life. Shops, banks, and, in fact, all commercial undertakings, except those large enterprises which depend upon foreign capital, are in the hands of Armenians. They are also large possessors of house property, and as town corporations are elected on a basis of property qualification, it follows that the town councils are entirely in their power. At Tiflis, out of 79 members of the town council in 1899, 56 were Armenians. After the war of 1877-8 the Russian consuls in Turkey encouraged the formation of patriotic

committees in Armenia, and a project was formed to create a separate State under the supremacy of Russia, which was to include Russian, Persian, and Turkish Armenia. This project was favoured by Loris Melikoff, then all-powerful in Russia; but in 1881 Alexander II. was assassinated, and shortly afterwards a strongly anti-Armenian policy was adopted. A process of "Russification" was entered upon which made all hope of political self-government under Russian protection impossible. In 1892 all Protestant Church schools, together with all their property and funds, were given over to the Imperial Department of Education; in 1897 all Armenian parish schools shared the same fate, and those which refused to comply—some 320 in number—were closed. All Armenian benevolent societies became the object of pitiless attack: special laws were devised to control these societies and to supervise their accounts and operations; and as these measures were found unavailing, Prince Galitzin advised the Tsar to have them all abolished. The press, of course, shared in the general oppression. The special organ of the Katholikos (or Patriarch, the head of the Armenian Church) was placed under censorship, and other papers were either suspended or suppressed. Even the internal affairs of the Armenian Church have not escaped unmolested. Prince Galitzin recommended the dismissal and banishment to Siberia of two Archimandrites, one of them being private secretary to the Patriarch, who had shown themselves "imbued with Separatist tendencies." Russia has also secured the submission of the independent Katholikos at Sis, and has thus acquired a power of interference in Armenian affairs in all parts of the world.

On the first introduction of these measures the Armenians of Tiflis turned their attention to Turkish Armenia, where they tried to stir up national aspirations. Russia made no real effort to check these proceedings, and since 1884 she has steadily opposed any active interference by Great Britain in favour of

the Turkish Armenians. In consequence of the action of these emissaries, revolutionary movements took place in 1893 and 1894, which were followed by massacres by the Turkish authorities. An international commission of inquiry showed that these sanguinary reprisals were altogether disproportionate to the revolt which was their alleged justification; but Russia, nevertheless, gave only lukewarm support to the British demands on the Porte for administrative reform, and in June 1895 refused to join Great Britain in any coercive measures. Further massacres followed, especially at Trebizond in October, and from that month onwards till January 1896 schemes of reform were pressed on the Sultan by the British Ambassador and accepted by him, but Russia still refused to agree to any measures of coercion, and declared (December 19th, 1895) that she could only take such action as was needed to protect foreigners. Great Britain was not prepared to act alone, and massacres continued during the summer of 1896. Some protection was afforded by Russia to Orthodox Christians, and by France to Catholics, and the brunt of the persecution, therefore, fell upon Gregorians and Protestants, who perished in numbers which have been variously estimated at from 20,000 to 50,000.

Large numbers of Armenians fled from their homes in the Turkish provinces and sought refuge in Russian territory. The majority of them were absolutely destitute and incapable of any work except agriculture. They were of course filled with patriotic zeal and were very undesirable colonists from a Russian point of view. Prince Galitzin's visit to the Caucasus was largely occupied with the Armenian question, and by his advice pressure was exercised upon Constantinople to secure the repatriation of the unfortunate refugees. The initiative in this matter came entirely from the side of Russia. Turkey had positively encouraged the departure of the Armenians and had refused to have them back without the passports, which Turkish

consuls declined to issue. In spite, however, of the unwillingness of the Porte to receive them, Russia determined that they should go. Prince Galitzin was of opinion that, if Russia requested Turkey to restore their lands to the returning Armenians, she would have amply proved her unabated interest in the welfare of the Christians of the East. He proposed to compel all refugees to quit Russia within a year. Accordingly in May 1898 an edict was issued requiring all Ottoman subjects of Armenian extraction to leave the provinces named. Several thousands of refugees were affected by this enactment, which was bound to result, and did result, in fresh outbreaks of violence. Lord Warkworth (now Earl Percy) pointed out in a letter to *The Times* (August 5th, 1899) that the Turkish Government with the best intentions in the world "would find it a well-nigh impossible task, in a region in which they exercise a notoriously imperfect control, to protect a host of destitute immigrants and suspected revolutionaries from the vengeance of those Kurds who must be expelled from their new-found homes before the refugees could be reinstated."

By her action in this matter Russia has evidently made herself, rather than Turkey, responsible for the condition of the Armenians. Professor Ramsay stated at the Cardiff Conference on Armenia in September 1899 that the conduct of the Russian Empire in this question "had been deliberately wrong and bad. He had been entirely wrong when he had said some time ago that it would be possible to aim at co-operation with Russia in the peaceful solution of the Eastern question. . . . It was not possible to escape the conclusion that the Russian Empire deliberately aimed at getting Armenia without the Armenians. Russia seemed to connive at the massacres so as to get the country with as small a proportion of the disaffected element as possible." During 1900 Russia showed renewed interest in Turkish Armenia by securing the right to construct all railways in it, and in Armenians

by pressing the Porte to restore order and introduce reform.[1]

The present year, 1903, has witnessed a crowning act of oppression. A pretext was found in the failure of the Armenian Church to make a complete surrender into official hands of the property of the Church schools, as decreed by the Imperial orders of 1897 and 1898. This not unnatural reluctance to part with their own property was visited by the Ukase of June 25th, 1903, by which the whole property of the Armenian Church has been practically confiscated. This property, which represents the offerings of pilgrims during sixteen centuries, and the gifts of kings and wealthy Armenians in all parts of the world, is estimated at 113,000,000 roubles. The promulgation of the Ukase was met by a respectful protest on the part of the Katholikos and Synod of Etchmiadzin, who postponed the execution of the law until their remonstrance had been considered. The priests and monks also resolved to do nothing without orders from Etchmiadzin. The people, however, whose spirit was thoroughly roused, could not be confined to an attitude of mere passivity. Patriotic demonstrations were organised, masses celebrated, and the Russian Government denounced from the altar in the presence of thousands of excited spectators. Riots broke out at Tiflis, Elizabetpol, and Baku, and in the reprisals which followed several Armenians were wounded and killed. Early in August a man suspected of having betrayed the collectors for a "patriotic fund" was shot at a railway station. On August 26th the Orthodox archpriest of Alexandropol was stabbed to death in the street. The Synod meanwhile persisted in its refusal to deliver up the property of the Church, and the Russian Government therefore resolved to resort to force. On October 8th the residence of the Katholikos

[1] Rohrbach, "In Turan und Armenien," chs. viii. and ix. "Encyclopædia Britannica Supplement," vol. i., pp. 635-7. *Times*, April 5th, March 18th, August 6th, October 12th, 1899; September 15th, 17th, 28th, October 5th, November 5th, 10th, 26th, 1903.

at Etchmiadzin was surrounded by soldiers, who broke into the treasury, ransacked it, and carried away 500,000 roubles, leaving the Katholikos for the moment quite destitute. It is scarcely surprising that this outrage was followed in November by the attempt on the life of Prince Galitzin, to whose influence the act of confiscation is primarily due. The Ukase gives the general control over the moneys and estates of the Gregorian-Armenian Church to the Ministry of the Interior, and places the practical administration of estates in the hands of the Ministry of Agriculture—a change which M. de Plehve urges will be entirely to the interest of the Church, as the clergy have shown themselves most unskilful administrators of the lands under their control. The measure, though doubtless it owes its origin to the recommendations of Prince Galitzin, is believed to be due in its present form to M. de Plehve and M. Pobiedonostseff. All the other Ministers are said to have opposed it, especially M. de Witte, who succeeded in obtaining the important modification that the rights of the Armenian clergy to the enjoyment of Church property should still be recognised.

6. Russia as a Colonising Power in Asia

In the previous pages we have marked the steps by which Russia has extended her dominion from the Ural Mountains to the Pacific Ocean, and southwards to the confines of Persia, Afghanistan, India, and China. Her power to conquer is proved to be pre-eminent. The question which remains to be answered is whether or not she is able to colonise effectively the countries she has brought beneath her sway, and mould alien races into coherence with the Slavonic races of Russia proper. Russia is undoubtedly well equipped for this task; she possesses an immense and prolific population, which, in spite of a very heavy death-rate, doubles itself in little more

than fifty years, her people are endowed with wonderful powers of endurance, are indifferent to hardship, and inured to a life of toil. The lands in which this overflowing population seeks its natural outlet are contiguous to their homes; no sundering seas divide the Russian emigrant from the country of his destination, and the whole journey to the farthest limits of the empire may be, and has been, performed on foot.

The conquered lands fall roughly into two groups, Siberia and Central Asia, which differ from one another in many respects, but principally in their past history. Siberia, when Russian settlers first invaded it, was an uncivilised country peopled by a large number of aboriginal tribes, who had no government of their own to oppose to the force of the newcomers. Central Asia, on the other hand, was the seat of some of the oldest civilisations of the world, and at the Russian invasion was divided into Khanates, each possessing a strong central government. These differences of organisation determined the character of the Russian occupation. Siberia was settled informally and, on the whole, peacefully by the mere immigration of Russian peasants. The Khans of Central Asia and the Turcoman warriors had to be defeated in many bloody battles before they bowed to the invader, and their dominions, already civilised, and in some places densely populated, afforded a comparatively restricted field for emigration. Siberia has unquestionably proved a great advantage to Russia as an outlet for her surplus population. Even under the old exile system, when Siberia received all the criminal elements of the empire, the germs of a new life were at work. A new generation—children of exiles and voluntary emigrants—made a home for themselves in a country where, if privations were many, liberty was at least larger than west of the Urals. The exile system is now on the eve of considerable modification, and voluntary migration has for the most part given place to that aided and directed by the Home Government. State aid appears to be

an absolute essential to the success of emigration in the Russian Empire. The ignorance, poverty, and natural apathy, of the Russian peasant render the task too difficult for him to accomplish unaided; but if the State supplies intelligence and a certain amount of pecuniary assistance, the peasant's patient labour and wonderful flexibility will do the rest. The present methods of emigration, carried out on these lines, seem likely to be crowned with as much success as, considering the character of the settlement and the climatic difficulties of the country, it is fair to expect.

It must be remembered that the settlement of Siberia, in so far as it has been of a voluntary character, has been a peasant movement. Emigration to Australia and America has never been confined to the working classes of the mother country, and they have owed much of their rapid development to the fact that the immigrants they received were largely men of intelligence and education, with a high standard of comfort, perhaps a little capital, and a determination to win for themselves in their new homes a social position not inferior to that which they had quitted. Siberia has had none of these advantages; its immigrants have been urged forward by the stress of hunger, they have been destitute of education or capital, their one gift being that remarkable facility of adapting themselves to circumstances, which enables Russian peasants to make a home and a living anywhere. The development of the country has, under these circumstances, been naturally slow. Agriculture is still the chief occupation of the people, and mining and other industries which require machinery, capital, and intelligent organisation of labour are still in their infancy. The condition of the peasant who emigrates to Siberia is, however, on the whole, more tolerable than that of those who remain in the famine-stricken districts of Russia. He escapes from a condition of absolute subjection to the bureaucracy, civil and religious, the manufacturers, and the great landowners, to

a country where class distinctions are almost unknown; he enjoys greater religious freedom, the hand of the *tchinovnik* is less heavy on him, and he has a chance of improving his economic condition.

From the point of view of general civilisation the Russian settlement of Siberia has been entirely a progressive movement. The Siberian Railway has united the east with the west, and opened up new markets for commerce and fresh fields for the expansion of Western energy of every kind. Barbarism has given place to civilisation. The land is becoming more productive as more labour and more rational modes of cultivation are applied to it; the minerals of the country are being extracted, and, if its forests and fur-bearing animals have been somewhat ruthlessly exploited, its powers of recuperation are still great, and the Russian occupation must be regarded as a contribution to the material wealth, not only of Russia, but of the world. The effect of Western civilisation upon the aboriginal races has been productive of less happy results. The native tribes have suffered at every stage of Russian advance, more perhaps in the old days of half-unconscious expansion when they were the prey of the hunter and trapper, than in these later days of systematic colonisation. Their numbers have decreased, and with two exceptions are still decreasing, while those who remain are still barbarous, illiterate—for Russia has done little or nothing to educate them—and for the most part as nomadic in their habits as if they had never come into contact with a settled community. They have learnt little from the superior civilisation around them, and have even reversed the situation, becoming themselves the teachers, and impressing their own speech and manners upon the Russian settlers who have lived amongst them. This unfortunate tendency is, however, probably a thing of the past, as with the advent of railways it will be impossible for settlers to live in future in such complete isolation from the Western world as was their lot in former times.

The Government of Siberia is conducted on principles of centralisation, but the great distance from the seat of Government permits local officials to exercise in practice a degree of freedom which is sometimes inconsistent with the policy of Ministers at St. Petersburg. Corruption pervades every branch of the administration, partly because bribery is second nature to the Russian, who could not comprehend a Government which disallowed it, but partly also because the cost of administering these distant and unproductive parts of the empire places such a strain upon the resources of the Treasury that it cannot afford to pay its officials a salary which would put them in a position of financial independence. Whatever may be the practical inconveniences entailed by this system, it does not diminish the loyalty of the peasants of Siberia, who are as devoted to the person of the Tsar and as ready to sacrifice everything at his behest as are the people of Russia proper. The fact that the settlement of the vast plains of Northern Asia has been accomplished entirely by the Russian race without any intermixture of foreign elements, such as constitute so large a proportion of the inhabitants of the United States, gives to Siberia a homogeneity and a cohesive strength which cannot be too highly estimated in any consideration of its relations with Russia.

The other newly conquered parts of the empire, which have admitted Russian colonists in any considerable numbers, are Trans-Caucasia and the Semiretchensk province of Turkestan. The former district has been utilised chiefly as a penal settlement for religious dissenters; the latter has received colonies of Russian agriculturists, who have helped the scanty native population in the task of developing the resources of the country. The countries conquered by Russia in Central Asia are less adapted for colonisation by Russian peasants than is Siberia. In the first place, they already possess as large a population as the soil, with the existing lack of irrigation, can support. The

hot, dry climate is uncongenial to settlers from the north, and the frequent droughts, plagues of locusts, and entire failure of crops from one reason or another, make these regions unsuitable for peasant colonies. Agriculturists have, however, emigrated to Russian Turkestan in small numbers, and efforts are being made to promote colonisation, but hitherto the attempt has not been made on a scale sufficiently large to exercise much influence on the regions settled. Large numbers of Russians are to be found in Turkestan, but they are not of the civilian class. The number of troops kept permanently in the country amounts almost to an army of occupation. Turkestan seems to have been acquired by Russia less with a view to its own value than as a highway of advance to conquests as yet unavowed.

But though of secondary importance as a field for colonisation, Central Asia serves an important function in the economy of the empire. This importance lies in its capacity as a market for Russian manufactures and as a cotton-producing district, whereby it lessens the dependence of Russia upon foreign countries. In spite of the heroic and prolonged resistance which they offered to Russian invasion, the inhabitants of Turkestan appear now to have resigned themselves to live contentedly beneath her sway. They occupy the position of a conquered race in the fullest sense, for no natives are admitted even to subordinate posts in the Government service; but, from a material point of view, they are better off than ever before—their lives and property are more secure, taxation is at least not heavier (indeed, it is the opinion of experienced observers that taxation is lighter than the population could bear, and should bear, in view of the heavy burden its occupation entails on Russia), while it is less arbitrarily imposed than formerly, and the fresh capital which has been brought into the country and the new opportunities of communication afforded by the Trans-Caspian Railway have given an impetus to trade in all directions.

These advantages might easily be felt by the natives to be outweighed by the presence of their conquerors among them, if it were regarded as a degradation. But, as Rohrbach has pointed out, Russians do not arrogate to themselves any position of superiority simply as individuals or as Europeans. The half-Oriental strain in their blood enables them to meet the pure Oriental on terms of equality without any irritating assumption of superiority. Russian officials, however, insist very strongly on the respect due to them as representatives of the Tsar, and this claim the Oriental understands and is willing to yield. The two races remain, however, apart and distinct; the assimilation there has been is on the side of Russia. The natives continue to be Asiatics, and "any coherence with Russia which they have thus far acquired is the solidarity which results, not from common intellectual habits and social structure, but from impressed military rule."

To the Western world the Russian conquest of Central Asia has meant a reign of peace, order, and security. The ordinary traveller may now penetrate, where fifty years ago the best accredited European could not hope to escape with his life. The cities of Bokhara, Khiva, and Samarkand, then absolutely cut off from the outside world, are now so closely in touch with the main currents of modern commercial life that the price of cotton is telegraphed to them every morning from Liverpool. Russia has, in short, fulfilled her civilising mission in the East as she herself understands it: she has abolished slave-raiding, secured public peace, constructed railways, and introduced modern industrialism. What she has failed to do is to promote the education of her new subjects, to preserve the monuments of their ancient civilisation, and to equip scientific missions to a part of the world full of interest to the ethnologist and historian. It is, of course, in these very points that Russia is weak at home, and some travellers are of opinion that she is doing at

least as much, or as little, for the education of her subjects in Asia as in Europe.

Her attitude towards her Asiatic subjects is in one respect distinctly more conciliatory than that which she adopts at home. In matters of religion the Mohammedan subjects of the Tsar have no reason to complain of harshness or intolerance. The Russian Church, which is rigidly unbending in its dealings with all non-Orthodox Christian peoples, has shown itself sufficiently impartial when brought into contact with races of a different creed to justify the boast of M. Pobiedonostseff that it is the most tolerant Church in the world, inasmuch as it has never tried to proselytise.[1]

In Mohammedan countries this is true, in the Christian provinces of the Empire it is the very reverse. The power of the Church is being used more and more extensively as a means of Russification. The passionate attachment felt by the Russian peasantry for the Orthodox Church, a sentiment which is hardly second in its power over their lives to their loyalty to the Tsar, is evidently of the greatest service to the rulers of the country, whose object it is to promote its growth by all means in their power among those races who have recently come beneath their sway. Dissent is severely repressed, and missions have recently been sent out to all sects of Christians within the Russian sphere of influence and beyond it. During the last ten years these missions have visited Abyssinia, Syria, Armenia, Persia, and even Manchuria and India. In Syria the influence of the Russian Imperial Palestine Society, whose ostensible object is to help Russian pilgrims to the Holy Sepulchre, has been directed

[1] The following figures form a curious commentary on M. Pobiedonostseff's statement. They are taken from his report on the Holy Synod for the year 1899 (the last which has appeared). The report gives the number of persons received into the Orthodox Church during the year as 18,774, of whom 1,779 were Lutherans, 1,855 Catholics, 271 Uniates, 35 Reformed, 191 Armenians, 41 Protestants, 35 Nestorians, 10,160 Sectaries, 903 Jews, 565 Mohammedans, and 2,909 heathen.

towards undermining the position of the Œcumenical Patriarch, and in this endeavour the Society has been steadily supported by the Russian Consul at Damascus. The decay of the Syrian Church has prepared the way for the extension of Russian influence in India, where it is reported that the Christians of Bombay, who can no longer receive their bishops from Antioch, have decided to accept the rites of the Orthodox Church, as expounded to them by the priests of the Russian Volunteer Fleet.[1]

The mission to Persia was the means of bringing over to the Russian Church more than half of the Persian Nestorians. The Nestorians, or Syrians of the highlands of Kurdistan, have succeeded from early ages in keeping up a separate ecclesiastical organisation on both sides of the frontier between Turkey and Persia. The Persian Nestorians had maintained complete religious autonomy, coupled with some political rights of self-government, till quite recently, when these privileges were curtailed by the Persian Government. After making, it is said, an appeal to the British Government, a considerable section threw themselves into the arms of Russia, and were received into the Orthodox Greek Church. So far, as Mr. Chirol observes, the political results have not fulfilled the expectations of the converts, as Russian diplomacy has failed to fight their battles at Teheran with the energy which had been hoped for. But no doubt this will be done when the moment comes "for turning the ecclesiastical allegiance of the Nestorians to practical account."[2]

[1] *Times*, December 31st, 1898; March 27th, 1899. Noble, "Russia and the Russians," p. 200. Rohrbach, "In Turan und Armenien," pp. 29, 34-5.
[2] Chirol, "The Middle Eastern Question," p. 128.

CONCLUSION

1. The Conclusion not a Summary of the Book.—2. The Relations of Great Britain and Russia in Europe: (*a*) Northern Europe, Sweden, and Norway; (*b*) Central Europe; (*c*) South Eastern Europe.—3. The Relations of Great Britain and Russia in Asia: (*a*) Asia Minor and the Levant; (*b*) The Persian Gulf and Persia; (*c*) Afghanistan and Tibet; (*d*) China and the Far East.—4. Commercial Questions and Commercial Treaties.—5. Alien Immigration and the Internal Condition of Russia. 6. The Ultima Ratio—War or Peace.

APART from the interest of the drama unfolded in the Introduction, and apart from the many lessons of success and failure in every department of public affairs which we have passed in review, there is a special reason why our attention should be riveted on Russia more than on any other foreign nation. There is no other country with which our interests and those of our world-wide empire come in contact, aye and clash, at so many points, and "one of the causes," says Mr. Lecky, "that make the power of Russia so formidable is the steady persistence of its foreign policy. Designs that may be traced to Peter the Great have been steadily pursued." In many cases there is indeed a policy laid down for the English Foreign Minister by treaties, but these instruments are little known either to politicians or to the public, in spite of the experience which they embody and the sacrifices of blood and treasure by which in many cases they were won, and the tendency is to let things slide, avoiding friction as far as possible. It seems then worth while to ask, in conclusion, what our interests and obligations are, and how far our fellow-subjects in our colonies and dependencies may be affected by our action or

inaction with regard to them. I need hardly say, however, that this chapter is in no sense a summary of what has preceded.

In Northern Europe our relations with Russia are defined by the treaty of 1855 between Great Britain, France, and Sweden. It is herein stipulated that Sweden and Norway may not cede to, or exchange with, Russia or permit her to occupy any part of the territories belonging to the crowns of Sweden and Norway. France and Great Britain, for their part, engage to furnish troops sufficient to enable the King of Sweden to resist any aggression on the part of Russia.[1] One of the titles of the Tsar is "Heir of Norway," and it has long been believed that Russia is desirous of gaining a port on the Atlantic, and the fear of Russian aggression on the Norwegian coast has been constantly in the minds of Scandinavian politicians. But during the years 1899-1902 Russia has constructed a port at Ekaterina, now called Alexandroffsk, on the Kola Peninsula, which is free from ice and occupies a commanding position. Though this harbour is not all that Russia could desire, the fact of its existence lessens the immediate fear of aggression at one time justified by her evident needs in this direction. If, however, Russia should still entertain a hope of obtaining such a port as Victoria Hafen on Norwegian soil, and the pro-Russian agitation kept up amongst the fishermen on the Norwegian coast still points to this, she will find the attitude of Sweden and Norway very different from what it was a few years ago. It is not a decade since Norway manifested every sign of restiveness under Swedish predominance, and, in particular, demanded the right to manage her own foreign affairs and to be separately represented at foreign courts. The treatment, however, which Finland has experienced from Russia has since served as an object lesson to Norway, and that country now recognises that her only defence against Russia

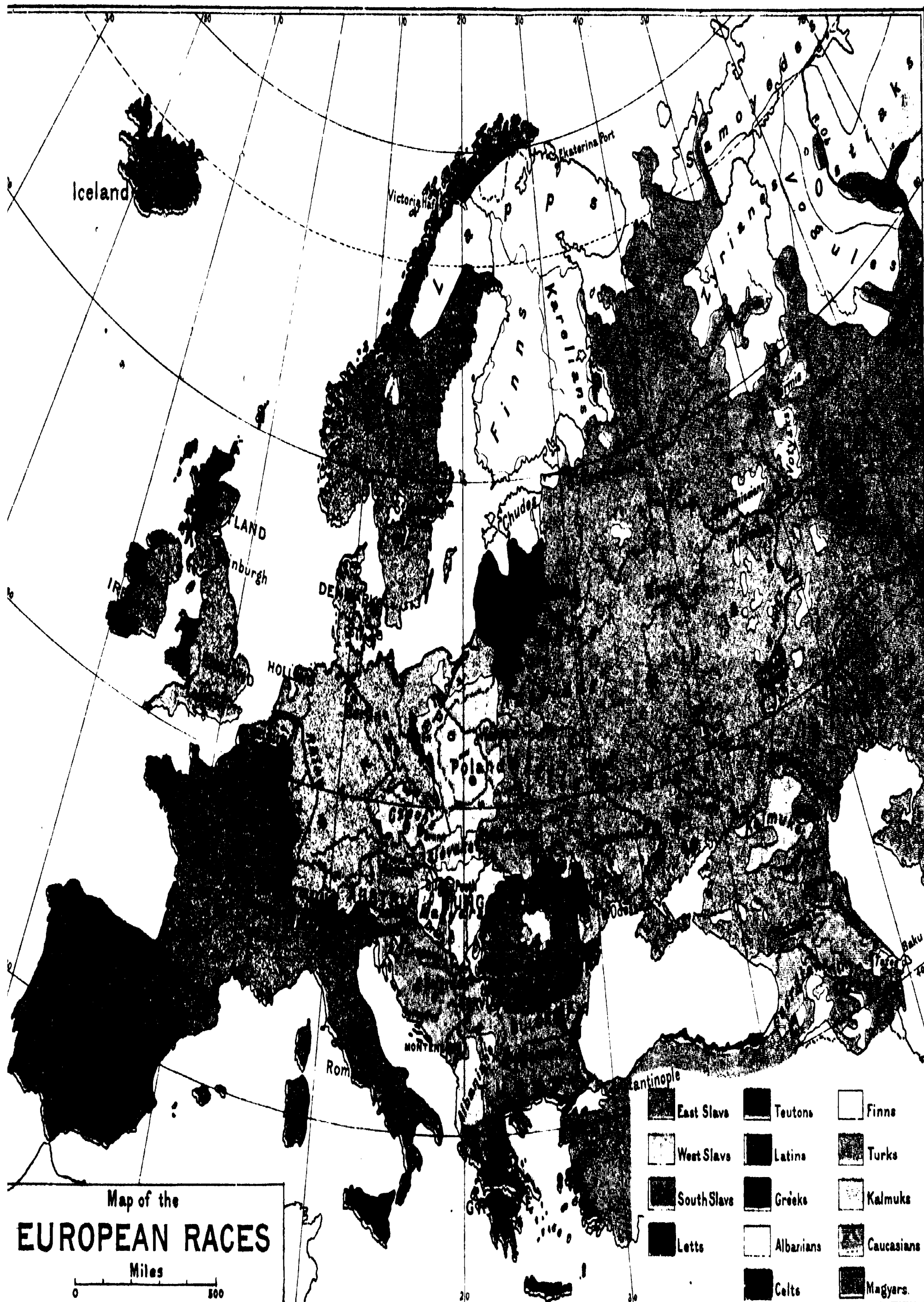
[1] See Appendix 6.

lies in a cordial union with Sweden. The Finnish question, more than anything else, has drawn the Scandinavian nations together for the protection of the culture they have so long shared in common. The Norwegian Parliament has accepted the scheme of the Swedish Government for the reorganisation of the army and the strengthening of the frontier defences. In view of the pro-Russian agitation above referred to a glance at the ethnographic map of the Scandinavian peninsula is interesting and instructive. Still more instructive is a glance at the figures with regard to population, which show that, from emigration or other causes, here, as elsewhere farther south, a diminution has taken place in the Teutonic population as compared with the increase of the Slav population in Russia.[1] Here, as in Germany and Austria, it looks as if there were a vacuum to be filled by the Slav. It is worth mentioning in this connection that Prince Gregory Volkonsky, in his pamphlet, "A Glance at the Present Position of Russia," advocates an alliance with Sweden as well as with Turkey. Scandinavians look to the growing power of the Pan-German movement as to a force likely to keep in check the ambitions of their powerful neighbour.[2]

[1] The growth of the population of Sweden has been as follows:—

Year.	Population.	Increase per cent. per annum.
1860	3,859,728	1·08
1870	4,168,525	0·80
1880	4,565,668	0·95
1890	4,784,981	0·50
1900	5,136,441	—

[2] It appears from *The Observer*, January 24th, 1904, that a distinguished Norwegian journalist, Arne Hammer, recently journeyed on foot throughout the whole of Lapland and the Tromsoe district, and found the whole country had been prepared by Russian agents for a movement in favour of annexation to Russia. "The Lapps are discontented at the restrictions placed by the Norwegian Government on their fisheries, and a secret report has been published by the Russian General Orloff who was sent by the Russian Government to ascertain whether a good harbour is obtainable in Lapland,


Iceland
Victoria Haf
Ekaterina Port
Lapps
Finns
Karelians
Samoyedes
Zyrianes
Voguls
Ostiaks
Chudes
Edinburgh
DENMARK
HOLLAND
Poland
Odessa
Baku
MONTENEGRO
Rome
Kalmuks
East Slavs
West Slavs
South Slavs
Letts
Teutons
Latins
Greeks
Albanians
Celts
Finns
Turks
Kalmuks
Caucasians
Magyars.
Map of the
EUROPEAN RACES
Miles
0
500

Pan-Germanism is a Chauvinist movement. In its extreme doctrinaire form, as stated by Professor von Halle, it is a question of the recovery from the Slavs of the whole course of the Danube from its source in Germany to its mouths in the Black Sea. It is therefore frankly antagonistic to the Panslavistic tendencies of Russia and even indirectly it is not without influence on the position of Russia. In its practical form it is seen in the animosity shown by Germany to the non-German elements within her borders, which has reminded Russia that Slavs are to be found living in the eastern provinces and indeed up to the very gates of Berlin, not to mention the annual migration of Russian labourers at harvest time into Germany, to the number it is said of 150,000. Owing to the movement of the German population westwards, the Rhine provinces contain an ever-growing proportion of Poles. The Grand-Duchy of Mecklenburg is inhabited by people of ancient Slavonic race, one title of its ruler is "Prince of the Wends," and alike in Mecklenburg, Prussia, and Saxony, the growth of the German Empire has by no means obliterated the memory of their origin from the minds of the large number of Slavs, whose lot is cast therein. In Germany there are some 3,045,000 Slavs, or nearly 6 per cent. of the whole population. Of these some 3,000,000, being Poles, are treated with the greatest harshness and have been told with the utmost plainness by the ruling powers that they are the enemies of Germanic culture. The Polish language is forbidden in schools and public assemblies and every attempt is made by colonisation and otherwise to Teutonise Polish districts. But Poles they are and Poles they will remain, increasing at a quicker rate than the German population, which they will eventually crowd out in the eastern provinces;

recommending that Russia should obtain, either by lease or otherwise, one of the Norwegian fiords, which, owing to the Gulf Stream, are ice free in the winter, and from which Russia might watch the opportunity for obtaining the adjoining territory."

at any rate that was the view taken in a speech delivered in the Upper House of the Prussian Diet on June 12th, 1902, by Herr Witting, chief Burgomaster of the city of Posen, who, after describing the growth of an intelligent and prosperous but wholly nationalist Polish middle class, declared that the policy of the Prussian Government in the eastern provinces had hitherto failed, and that the east of Prussia was slowly but surely becoming Slav.[1]

In Austria the Poles as well as other Slavs, who now number, roughly speaking, 15,000,000 to 9,000,000 Germans, are in a far better position than in Germany. Indeed a traveller in Galicia would hardly believe that any Teutonic influence existed in the government of the empire. In Austria it is true that the Pan-German ideal expressed in the words "one people, one faith, one emperor," has taken shape in the "*los von Rom*" movement, and this will probably enlist the sympathy of some Catholics on the side of Russia. But the Pan-German movement in Austria has much lee-way to make up. There, as in Germany, the Slavonic peoples tend to multiply more rapidly than the Germans, and have certainly, both in Bohemia and elsewhere, succeeded in asserting their power in a very remarkable degree. A noteworthy article on Bohemia in *The Quarterly Review* of November 1903 contains these words: "But politically speaking the most significant fact is the growing solidarity of the Slav peoples, who, abandoning their petty jealousies and local interests, are gradually uniting their forces to the Czech (Bohemian) group, with a view to the ultimate conquest or restitution to the Slavs of an influence proportionate to their majority. Furthermore the Slav victory, which cannot be far remote, no longer presents the danger it

[1] *Times*, September 10th, 1902. Cf. "Report on the Labour Question in Germany," vol. iv. of "The Foreign Reports of the Royal Commission on Labour." *Quarterly Review*, November 1903. "Statesman's Year-book," 1903, p. 648.

may once have presented of playing the Hapsburg Monarchy into the tentative clutches of Russian Panslavism. The idea of universal Panslavism was never more than a literary conception, and it loses and continues to lose ground according as the Austrian Slavs develop intellectually, economically, and politically." The writer, who has already referred to the manner in which from being an agricultural population the Slavs are becoming industrial and commercial, states that, from their relative numbers, neither Germans nor Slavs can claim to annihilate the other, and that a compromise will be reached under which the two races will live amicably together.

But although there may be no tendency on the part of the Austrian Slavs, who enjoy a large measure of political liberty, to throw in their lot with despotic Russia, they will always take a pride in her greatness. Their sympathy with Russia will largely increase, if time brings some instalment of political liberty to the subjects of the Tsar, and in any case an appeal to it made by the Tsar might at any time produce results of which Europe little dreams. Nor is that sympathy even now without an echo in Russia. After the Sokol festival, a Panslavist gathering at Prague in July 1901, General Rittich, Professor of Tactics at the Military Academy at St. Petersburg, who had been present, wrote a remarkable letter to the *Narodni Listy*, the leading Czech organ, in which he said: "I come from the Slav East and from the boundless steppes of the Black Sea region to give you proof of our love and to tell you that you can rely on the power of Russia. It is not only enormous material resources that you will find in Russia, but the moral force which feels for the weak and is ever ready to succour them. Until you have learnt to know Russia you will not know the source of Slav strength." In any case the treatment of the Slavs in Germany and the Pan-German movement in

Austria are not without their effect in alienating them from their Government.[1]

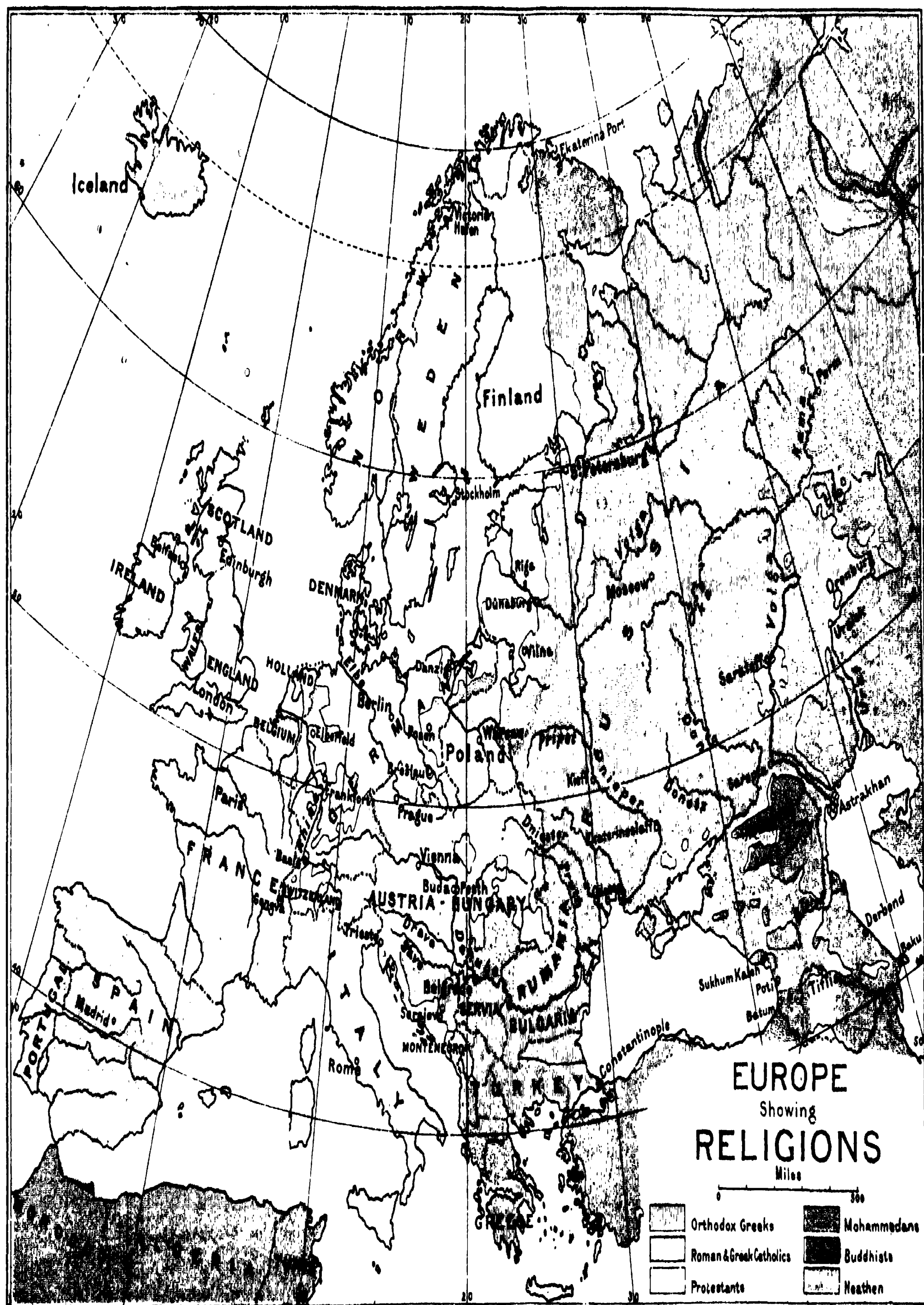
A glance at the religious and another at the ethnographic map of Europe will throw further light on the subject. It appears that in addition to the Roman Catholic Slavs there is also a body of Greek Catholic Slavs forming a minority in Croatia and a majority in Bosnia and Herzegovina. In 1900 in the whole Austro-Hungarian Empire there were nearly 5,000,000 adherents of the Greek Catholic Church and over 3,000,000 of the Greek Oriental Church, and so, though the number of its adherents in the Dual Monarchy is relatively small, the Greek Church is still a factor that must not be overlooked.

In Hungary, where 8,500,000 Magyars keep in subjection 2,000,000 Germans, 5,000,000 Slavs, and 2,500,000 Roumanians, the position of Slavs and Germans is different. At any rate, as regards Croatia, so well have the Hungarians managed that the Croats show no apparent inclination towards the movement for a greater Servia, being well satisfied with the representative position they hold at Budapest, and having, apart from religious differences, no very high opinion of the Servian Monarchy and its potentialities.[2] The Magyars are, however, firmly opposed to any increase in the Slav population of the Austro-Hungarian Empire, and in spite of the credit the empire has gained from the very successful administration of Bosnia and Herzegovina under the late M. de Kallay, would probably on this ground resist the advance of

[1] The extreme section of the Panslavists in Austria is represented by Dr. Vergun, the editor of the *Slaviansky Viek*, published in Russian, which he hopes to make the predominant tongue. Dr. Vergun can only as yet claim a handful of adherents in the Austrian, and perhaps one adherent in the Hungarian, Parliament. His programme is to win over the peasants in the Dual Monarchy by promising them the ownership of the land they now farm, and the industrialists by the promise to them of the share in the Russian market now held by Germany.

[2] The movement which would no doubt find most favour with Croatians would be one for a greater Croatia, which would include Croatians in both halves of the monarchy, and would be opposed as strongly by the Germans in Austria as by the Magyars in Hungary.

Austria to Salonika. They are, however, the bravest and, politically speaking, the most gifted race of Central Europe, and form the only possible nucleus of resistance to the advance of Russia and the eventual realisation of the dream of General Rittich of the rule of the Slav, "from the Adriatic Sea to the Pacific Ocean." The strength of the Slavs in Hungary, as elsewhere, lies in their intense love for and pride in their race, and their readiness, however low their position, to make material sacrifices for it. A new element of Panslavism has appeared in North Hungary owing to remigration of Slavs from America, who are the bearers of American Panslavist propaganda, in which, as elsewhere in Europe, the hand of Russia is seen by the races opposed to her, just as Russians see the hand of the German Government in the Socialist agitation now so strong in the Russian Empire. There is, however, much wisdom in the observation of the brilliant diplomatist who conceals his identity under the pseudonym of "Odysseus": "Panslavist agitation is much talked of in the Austrian Empire, but it is rather a means of extorting concessions from the Government than a serious project of disruption. The Bosnians, Bohemians, and Poles would probably be very unwilling to be really detached and made independent unprotected States." But the protector is not far to seek. The Germans have lost the control they once held in Austria, and it remains to be seen whether the Hungarians will maintain their position. The official statistics published by the Hungarian Government place the Magyars in the most favourable position. But they are, nevertheless, not a majority, and the power does not depend on numbers but on the instincts and capacity for rule which are inherent in a race which has so long been dominant. The present situation in Hungary would seem to point to a sad falling off, not only of ruling power, but also of self-control, for a nation whose constitution is only a few years younger than that of



EUROPE
Showing
RELIGIONS
Miles
Orthodox Greeks
Roman & Greek Catholics
Protestants
Mohammedans
Buddhists
Heathen
Iceland
Finland
Ekaterina Port
Stockholm
SCOTLAND
Edinburgh
IRELAND
ENGLAND
London
DENMARK
HOLLAND
BELGIUM
Berlin
Poland
Paris
FRANCE
SPAIN
Madrid
Prague
Vienna
AUSTRIA-HUNGARY
Trieste
Belgrade
SERVIA
BULGARIA
MONTENEGRO
Rome
Constantinople
Astrakhan
Derbend
Baku
Tiflis
Poti
Batum
Sukhum Kaleh
Volga
Dnieper
Moscow
Riga
Danzig
Geneva

England herself, and there is no doubt that at the present moment Hungarians have no interests outside their own borders.[1] But it seems impossible that the parliamentary deadlock can be long tolerated. It is hard to believe that the Magyar race has said its last word, or gloomy as the outlook now is, that the people which has so long ruled is now prepared to abdicate.

It is a common-place that when the present Emperor dies there is great danger of a break-up of the Empire of the House of Hapsburg. In my judgment that danger has been overrated; but it undoubtedly exists, and it would be well that Great Britain, even if she is not prepared actively to intervene, should have a clear idea of what disposition of the component parts is most in accordance with her interests. It would seem that our best policy is to work for the maintenance of the *status quo* and against any partition of the territories united under the Austro-Hungarian crown. It is to be recollected that, apart from warlike operations—thanks to our possession of the wealthiest market in the world—we have in commercial treaties a most powerful weapon for the support of our friends. Indeed, in these industrial and commercial days, it would appear that the power of the purse is at least as great as the power of the sword. This should not be forgotten during the negotiations which must precede the new commercial treaties, in place of those which came to an end on the last day of 1903, if we are not to rely in future on the most-favoured-nation clause. Attention has been drawn above, and will be drawn again, to the way in which that clause affects British trade in Russia.[2] Of course it is not suggested that a commercial treaty is necessarily a satisfactory one—

[1] The date of the Bulla aurea, the Hungarian Magna Carta, is 1222, that of the English Magna Carta 1215.

[2] Sir Charles Kennedy, K.C.M.G., in a postscript to his paper published on December 4th, 1903, in *The Journal of the Society of Arts* (p. 69), calls attention to "the insufficiency of the most-favoured-nation clause to safeguard all contingencies. Country A levied very properly a higher duty on pure wool piece goods than on mixed woollens. Country B, in commercial negotiations with A, induced A to reduce the duty on the former, being

witness the growing dissatisfaction in France at the working of the treaty between France and Russia. concluded in 1893—or that a commercial treaty can bolster up a trade which is failing from want of enterprise and intelligence. But, if properly drafted on lines suggested below, it may be a fairly complete safeguard against unfair foreign competition on the part of nations as a whole, of trusts, cartels, or individuals, besides being a means of supporting our friends, allies, or kinsfolk in a way that can be approved by free traders and protectionists alike.[1]

In South-eastern Europe we rest on firmer ground; here our obligations are by treaty. We were one of the contracting parties to the Treaty of Berlin (1878), which, besides defining the boundaries and position of the various Balkan States, confirmed the previous Treaties of Paris (1856) and London (1871). Article 7 of the Treaty of Paris states that the contracting parties "engage to respect the independence and the territorial integrity of the Ottoman Empire." By the Treaty of Berlin a considerable portion of the European dominions of Turkey were taken from her control, but the Macedonian and Ægean provinces were left under direct Turkish rule, though with abundant provisions for their welfare. In particular the 23rd clause provided for the institution of local commissions which were to elaborate statutes and regulations for the future government of those parts of the Turkish Empire. But though local commissions were appointed and statutes drafted, they were never put into force, in spite of warnings addressed to the Porte on the subject by successive English Foreign Ministers. At the present

interested in that trade, and, to recoup the loss of revenue, to raise the duty on mixed woollens. The change of customs duties altered the previous conditions of trade and hit Yorkshire manufacturers. It was known that owing to our fiscal policy and system England could not take active steps to check the hostile tariff regulation. The moral is that we should not rely on benefits under the most-favoured-nation clause, but should possess the power of counteraction when necessary."

[1] *Quarterly Review*, November 1903. "Royal Commission on Labour," Foreign Reports, vol. xi. Austria-Hungary, p. 155.

moment, when the insurrection in Macedonia has once more brought the condition of the European subjects of the Porte into the forefront of politics, we, together with the other signatories of the Treaty of Berlin, are represented by Austria and Russia, who are endeavouring to press a policy of reform on the Sultan.

The first Austro-Russian reform scheme was issued from Vienna in February 1903, before the discontent in Macedonia had assumed its present formidable proportions. The subsequent increase of disorder induced the Powers to take a firmer tone, and on September 12th the English Foreign Office received a memorandum to the effect that the difficulty they were experiencing in the execution of reforms led them to believe that the Sultan felt some doubt as to the attitude of the other Powers. To this Lord Lansdowne replied that, not only did His Majesty's Government continue to support the Vienna programme, but suggested that the two Powers should consider whether "measures of a more thorough and practical kind, enforced by pressure of a more direct and convincing character," had not become indispensable. On October 22nd the Austrian and Russian ambassadors presented to the Sultan "precise instructions" for the execution of the reform programme under the control of the Powers. These instructions were as follows: (1) The present Mussulman governor, Hilmi Pasha, to be assisted by two European assessors to be chosen by Austria and Russia. (2) Reorganisation of the *gendarmerie* under foreign officers. (3) Rearrangement of administration to secure a better grouping of nationalities. (4) Reorganisation of local judicial institutions to make them accessible to Christians. (5) Investigation of crimes committed during the disturbances by a mixed commission of Christians and Mohammedans. (6) Repatriation of fugitives and compensation for houses, etc., burned and destroyed. (7) Exemption from taxation for one year of repatriated Christians. (8) Immediate execution of the reforms enumerated in the project of February, and

all such subsequent reforms as may prove necessary. (9) The dismissal of the soldiers by whom the outrages had been committed, and the prevention of the formation of new bands of Bashi-Bazouks.

These reforms Lord Lansdowne (who is to be congratulated on his emphatic statement in a despatch to Sir F. Plunkett dated January 6th, 1903, of the immense importance which we attach to the question, and our earnest desire to contribute, so far as opportunities permit, to its satisfactory solution) stated to be the very minimum which the Powers could accept, but if honestly carried out they might effect a great improvement in the condition of Macedonia. The opinion has, however, been strongly expressed that any reforms which tend to make the rule of the Sultan tolerable are the last thing which Russia desires, and that she will therefore take care that they exist only on paper. The Sultan on November 3rd replied to the Powers by a Note which must be regarded as a practical rejection of the whole of the latest reform scheme. His reply was followed by a meeting between the Tsar and the Emperor of Germany, which took place at Wiesbaden on November 6th, and was in all probability fraught with far-reaching consequences, not only with regard to the question at issue in the Balkans, but in the Far East also. On November 25th the Porte expressed its acceptance in principle of the reforms proposed by the Powers, but little progress has been made towards carrying them out, except the step taken at the end of December of applying to Italy for an officer to reorganise the constabulary—an exceedingly clever move on the part of the Porte, which introduces on the scene another great Power with a traditional interest in Albania and a dynastic alliance with Montenegro.[1]

[1] Some slight progress has been made while these pages have been passing through the press, but the most satisfactory events to record are the definite and emphatic statements made by Lord Lansdowne in the House of Lords, that if these proposals fail the British Government will put forward more drastic proposals of reform. Cf. Appendix 9.

But the Macedonian question appears to Russia as of secondary interest as compared with the overwhelming importance of the struggle with Japan. The Russian press, it may be remarked in passing, though kept in strict check as to home affairs, has always been allowed to comment somewhat freely on foreign questions. In a recent number of the St. Petersburg *Viedomosti* (quoted in *The Nineteenth Century*, November 1903), Prince Uchtomsky said that "recent events in Macedonia are of only secondary importance in comparison with what Russia had just now to do in regard to Japan. 'Macedonian affairs,' he declared, 'might certainly hasten the solution of our task of the occupation of Constantinople, which must sooner or later become a Russian city; but it was of even greater importance to crush, if necessary with a giant's foot, the proud young State of Japan.'" Probably plans for this object were among the subjects discussed by the emperors. It was reported that a Russo-German arrangement had been concluded which was to counterbalance the Anglo-Japanese Alliance; so that in return for concessions in regard to the commercial treaty, in the event of a Russo-Japanese war, British intervention on behalf of Japan would be followed by German intervention on behalf of Russia.

Meanwhile Russia by no means neglects her interests in the Near East. The extent of her influence there may be judged from the facts recently brought to light in connection with the Bulgarian elections. The Zankovist or Russophil Cabinet, which was thrown out of office last spring, had come to a secret agreement with Russia for the surrender upon lease of the ports of Varna and Burgas, in order to facilitate the advance of Russia upon Constantinople. As a preliminary Bulgaria was to accept a Russian Minister of War. Large sums for the promotion of this object are said to have been received by M. Zankoff from the Slav Beneficent Committee in St. Petersburg. The overthrow of the Russophil party at the elections

called forth very thinly veiled threats from the *Novoe Vremya*, which asked in November 1903 whether Prince Ferdinand imagined that he was able to change the course of Panslavism in the peninsula, a feeling distinctly in favour of Russia for years back.

Everything seems to be in train for war both in the Near and Far East; but against the traditional policy of Russia must be set the earnest pacific intentions of Nicholas II., and against Japan's strong feeling on the Korean question must be weighed the risks she would certainly run in a combat with Russia. Mr. Balfour's reference at the Guildhall on November 9th, not only to the "moderation, discretion, and judgment" of our allies of Japan in making demands, but also to the "firmness" with which they will enforce them, has certainly strengthened the position of the Japanese, while his assurance that the two Powers will not allow their scheme of reform "to be rejected either formally or informally" may possibly convince the Sultan that, unless he accepts this minimum of reform, a larger measure may be forced upon him. Thus far, then, the efforts of the Powers have been strictly confined to the fulfilment of the moral obligations which rest upon them, in consequence of their treaty pledges to the Sultan. Civilised Powers, which have undertaken to maintain a sovereign on his throne, must see to it that at least he behaves in such a way as not to forfeit their protection. If the Sultan should prove intractable, there are other methods, and to my mind better methods, than to acquiesce in the acquisition by Russia of Macedonia, which commends itself to some as a better plan, at any rate, than to leave the country under the Turk.

Amid the clash of contending nationalities and religions in the Balkan States the first fact to be borne in mind is the capacity and character of the Bulgarian nation. Twenty-five years ago Bulgaria was in the same condition as Macedonia now. Ten years ago, after all the trials they had gone through, Mr. Dicey could

say that Bulgaria was becoming a bulwark against Russian aggression. Three years ago "Odysseus" could write: "The Bulgarians are the most industrious and laborious of the populations of South-eastern Europe. In agriculture, commerce, education, literature, and military matters alike, they have made enormous strides. It is only necessary to go westward from Turkey to see what twenty years of autonomy have done. In that brief space one seems to advance not twenty, but two hundred years." A similar tribute is paid by Mr. Noel Buxton, chairman of the Macedonian Committee. "Fundamentally the Bulgarians are akin not to the Slavs, but to the Magyars.[1] The decisive factor in Macedonia is the Slav peasant. He has backbone, persistence, and political instinct." In fact, in spite of troubles like those of Macedonia and the political quarrels which "Odysseus" tells us are the only ground for doubting the brilliant future of Bulgaria, no less than 65,000 Greeks, with their schools and churches, live in peace and amity under Prince Ferdinand, while the 500,000 Moslems[2] in his dominions show no desire to exchange his rule for that of the Turk.

The conviction is ripening in the minds of those best acquainted with the Near East that Austria will not act with effect, partly owing to internal difficulties and partly from the fear of being landed in the same position as she was with Prussia over the Duchies forty years ago, though it is not generally known with what speed she mobilised her troops on the Servian frontier after the assassination of King Alexander. The belief is also growing that Russia intends to pursue the same policy with regard to Macedonia that she pursued a few years ago with regard to Armenia, which was, in the words used by Professor

[1] "The Bulgarians, though not originally Slavs, have been completely Slavised, and all the ties arising from language, religion, and politics, connect them with the Slavs, and not with the Turks or even Hungary."—"Odysseus," "Turkey in Europe," p. 344.

[2] This statement is made on the authority of Mr. Noel Buxton.

Ramsay at Cardiff, "to try and get Armenia without the Armenians." Now, not only have Bulgarian statesmen the necessary political courage and talent, but they have also to back them the great power of an independent national Church. By the Firman of 1870 Bulgarians have, under their Exarch, who still lives at Constantinople, been allowed to manage their educational and ecclesiastical affairs, not only for Bulgaria itself, but also for all their compatriots within the Ottoman Empire. In Bulgaria, as in Russia, the Orthodox Church has combined Christianity and patriotism, and, unlike the other branches of that Church in the Balkans, it has spread light and infused energy.

There has been in the recent past, and will doubtless again be in the future, danger of a return to the policy advocated by M. de Nelidoff, the Russian Ambassador at Constantinople in 1885—namely, that the Turk should, in the words of the British Ambassador, Sir William White, who successfully resisted the proposal, "be encouraged to put down by the sword in his own fashion Christian Orthodox Slavs." Sir William White, the ablest diplomatist who has represented Great Britain at Constantinople since the days of Lord Stratford de Redcliffe, and the only one since that time who succeeded in re-establishing the position of Great Britain, laid down the true policy of Great Britain in a letter dated December 7th, 1885, and addressed to Sir Robert Morier, then Ambassador at St. Petersburg: "As to the line we adopted, I am sure you must approve of it. In the future European Turkey, to Adrianople at any rate, must sooner or later belong to Christian races. . . . We have always been accused by Russia of being the chief obstacle to the emancipation of Christian races in European Turkey. The reasons for a particular line of policy on our part have fortunately ceased to exist, and we are free to act impartially and take up gradually with proper restraints the line which made Palmerston famous with regard

to Belgium, Italy, etc. The Russians have made sacrifices to liberate Greece, Servia, and the Principalities. But they have lost all their influence in Greece, Servia, and Roumania. Montenegro alone has remained faithful and grateful. . . . They are now about to lose the Bulgarians. . . . These newly emancipated races want to breathe fresh air, and not through Russian nostrils. . . . I feel, of course, that all these things may have their *contre coup* in Asia, but we cannot shape our course in Europe by purely Asiatic considerations. Of course, our great interests are there; but we still have European duties and a European position, and even European interests."

So far, then, the English policy with regard to Russia would appear to be to uphold the integrity of Sweden and Norway; to maintain, as far as we are able, the integrity of the Austro-Hungarian Empire, and support the Hungarians in Central Europe. In South-eastern Europe, in the event of the Sultan proving absolutely intractable and of the failure of the Powers in the work of reform to which we are pledged, we should use our best endeavours to secure to the Bulgarians fair play in the consolidation of their nation. In the last resort, if it should prove impossible "to screen the Sick Man from the northern blasts," and it is as well to face that alternative, the proper line is indicated in the words of the Bulgarian national anthem, "Marsh! Marsh! Tsargrad nash!" (Forward, forward! Constantinople is ours!) A confederation of the Balkan States with an enlarged Bulgaria, with or without the protection of Austria-Hungary, is at any rate a practical and intelligible policy.

The only alternative is to abdicate our historic position in the Near East, or, as Count Bülow would say, lay down our flutes in the European Concert, and announce our intention to occupy Mitylene and Smyrna and Alexandretta in the case of any alteration in the *status quo*. Holding Smyrna, Alexandretta, and Cyprus, we could protect our commercial interests on

the side of Asia Minor, and in Mitylene we should have a naval base which would to some extent neutralise either the occupation of Salonika by Austria or that of Constantinople by Russia. It is the minimum. It would be inglorious and perhaps not even safe, for, in Sir William White's phrase, all these things have a *contre coup* in Asia, and no one knows what effect the conquest of Constantinople by Russia might have on our Moslem subjects, not only in Asia, but also in Africa.[1]

But it is high time that we should have a definite idea of what we intend to do. Attention is for the moment diverted to the Far East, but the position in the Near East is critical. The Sultan's hatred of England, no doubt, does England as much credit as his love of Germany does discredit to that country, but it is a factor of the greatest importance. He has fortified the Dardanelles and left the Bosphorus open. Moreover, he has allowed the Russian Government to acquire the property of Abraham Pasha, just outside the Bosphorus; and he is said to have obtained in return from the Russian Government a pledge of his personal safety in all events. No doubt he has relied in the past on the German Government; but the policy of "re-insurance," which was practised by that Government in its dealings with Austria and Russia, seems to have begun to take effect in its dealings with Turkey and Russia, now that the Baghdad Railway concession has been gained, and the relations of Germany with Turkey are said to be less cordial.

In Asia Minor British responsibilities are clearly defined by Article I. of the Treaty of Constantinople between Great Britain and Turkey. It is therein agreed that in the event of Russia's attempting to take possession of any further territories of the Sultan in Asia, England engages to join him in

[1] *Times*, October 17th and 26th, November 7th, 11th, and 14th, 1903. *Monthly Review*, December 1903. *Quarterly Review*, July 1902. *Edinburgh Review*, October 1903. "Odysseus," "Turkey in Europe," p. 351.

defending them by force of arms.[1] In return the Sultan promised to introduce necessary reforms for the protection of Christian and other subjects of the Porte, and assigned the island of Cyprus to be occupied and administered by the English. We have received the consideration for our bargain in Cyprus, but hitherto have neglected the responsibility. The system of British military consuls in Asia Minor instituted after the Treaty of Berlin and abolished by Mr. Gladstone's Government might have led to a reorganisation of Turkey in Asia on the same lines on which we have so successfully reorganised Egypt. But, as things now are, we are likely to become spectators of a struggle between Germany and Russia in Asia Minor corresponding to the struggle between Austria-Hungary and Russia in Turkey in Europe. The Russian branch of the Orthodox Church is advancing Russian claims in Turkey in Europe by her propaganda directed against the Bulgarian Church from her monastery on Mount Athos, where she has recently strengthened her hold, but in Asia she is proceeding still faster by the Slavonisation of the Orthodox Churches in Palestine, through the instrumentality of the Imperial Palestine Society backed by the full force of Russian diplomacy, and the not over-scrupulous use of the lever supplied by the situation within her dominions of large properties belonging to the Patriarchate of Jerusalem.

Intrigues in Palestine and Asia Minor will be followed by a development of the same policy in Abyssinia, where M. Vlasoff, as Russian Minister, and Count Leontieff, Governor of the Equatorial Province, and others have been paving the way for Russia to obtain a foothold. Attention was drawn to this fact by the mission, on the initiative of

[1] By Article 59 of the Treaty of Berlin, Russia undertook to make Batum "a free port essentially commercial," but in 1886 it was fortified as a naval base, and the Russian customs tariff enforced, in spite of Lord Rosebery's protests.

Russia, of the Bishop of the Abyssinian Church, Abuna Matteos, to St. Petersburg in 1901, and his visit to Constantinople under the auspices of the Russian Embassy on his return journey to obtain from the Sultan the recognition of the Abyssinian Church as an independent body in Palestine, and the cession to the Abyssinian community at Jerusalem of the Chapel of St. Helena in the Church of the Holy Sepulchre, which has been up till now in the hands of the Armenian Gregorians. It was stated at the time that all the expenses of the mission were borne by Russia, and it would seem that she was aiming at supporting her designs in Abyssinia by winning the allegiance of the Abyssinian Church (whose tenets, by the way, are not at all in accord with those of the Russian Church) while undermining at the same time the position of the Armenian Church, which is hostile to Russian designs in Palestine.

As far as Africa goes, the plan of forming a Franco-Russian line across Africa attracted attention at the time of the Fashoda incident. A similar plan of a Franco-Russian line across Asia from Tonkin was first thought of by Jules Ferry, and has made, as we shall perhaps learn to our cost, considerable progress in the Far East. Meanwhile the influence formerly exercised by France in Palestine has diminished, and that exercised by Russia and Germany has increased. Further, as a counterpoise to German railway activity in the centre of Asia Minor, Russia obtained in 1900 from the Porte an undertaking, known as the Black Sea Agreement, under which she has a priority of right for the construction of railways throughout the Asiatic provinces of Turkey that drain into the Black Sea. England ought now to obtain a similar concession for making railways from Baghdad to the Persian Gulf.

In Persia the lines on which our policy must proceed were clearly laid down in the agreement of 1834 between Great Britain and Russia to respect

the integrity and independence of Persia. The agreement was confirmed by exchange of Notes in 1838, 1839, 1873, 1888, and more recently by Lord Lansdowne's statement in the House of Lords on May 5th, 1903, that we should regard the establishment of a naval base in the Persian Gulf by any other Power as a grave menace to British interests, and should resist it with all the means at our disposal. Our commercial position in the Persian Gulf has recently been strengthened by Lord Curzon's visit and by the fact that Count Katsura, the Premier of Japan, considers that the interests of his country as far as the Persian Gulf are similar to those of Great Britain. The policy of our Minister at Teheran is therefore distinctly marked out by the circumstances: encroachments on Persian soil by other Powers are to be prevented, while Great Britain is to be permitted to open up the country to the commercial enterprise of all nations. It is at present too soon to judge of what will be the effect upon British trade of the new commercial treaty between Great Britain and Persia, published in July 1903, but it is a remarkable fact that it is almost identical with the Russo-Persian Treaty of 1902, a treaty which was specially designed to hamper British interests and promote the importation of Russian goods. The results of the Russo-Persian Treaty have already been demonstrated in the bread riots at Tabriz and Shiraz, caused by the widespread discontent arising from the increased cost of provisions which has arisen since the Russian tariff prevented the import of English goods. It is to be hoped that Lord Curzon's tour in the Persian Gulf will be followed by some alteration of the existing tariff system, and by a definite understanding with regard to our rights as to any railway from the Persian Gulf to Baghdad.[1]

In the section on Persia stress is laid on the waning

[1] See also Appendix 3

influence of Great Britain as compared with the complete military control held by Russia of the Caspian and of the northern frontier from Tabriz in the west to Meshed in the east, and on the power Russia obtains in the capital and throughout the provinces by her disposal of the only serviceable body of Persian troops—the regiment under Russian command. It has further been pointed out how, to use Mr. Chirol's phrase, "Russia has added the power of the purse to the power of the sword," and is now recouping herself for her outlay by the commercial conquest of Persia, and what an excellent security she has obtained for her loans. The want has been shown of a practical intelligible policy on the part of Great Britain which can be made good at the capital; for as long as governors and officials are appointed from Teheran, it is idle to attempt to maintain a position only on the outskirts of the country. There has never been, as Mr. Chirol says, any definite and comprehensive scheme of policy for our Minister at Teheran to work upon. Nothing could have been more apposite than the remark which a Russian diplomatist is reported to have made to an English colleague: "We are better off than you. We know what we want." Once a policy has been defined, the British Minister will have to rely on his own ability; but behind him he must have what the Russian Minister has, the power of the purse as well as the power of the sword. These are the only arguments understood by Orientals; and, in fact, as Prince Bismarck once observed, war is everywhere the *ultima ratio.* Neither the purse nor the sword has been behind the British Minister in Persia for many years. Lord Lansdowne's declaration is definite enough if it is acted upon. But how can we expect diplomatic success in a country like Persia, where our rival has, in addition to military terrorism, the millions of roubles at his back which our analysis of the Russian budget has shown to be at the disposal of the Russian Minister of Finance with no public account to render? The

Secret Service Fund is one of which the House of Commons is most rightly jealous, but, as Lord Salisbury pointed out, it is a necessary evil in China. In Persia perhaps, more than elsewhere, it is the business of the British Minister, in Mr. Chamberlain's phrase, to peg out claims for posterity, to maintain what we have got, and, if any one jumps our claim, gently but firmly to remove him. But we must not expect our officials to make bricks without straw.[1]

Constant vigilance should be maintained over the course of affairs in Afghanistan. The consolidation of his dominions, so ably carried out by the late Amir, has strengthened Afghanistan enormously, but it must, from its geographical position, always be open to influence from the two great Powers to the north and south. Up to the present the southern Power has kept the upper hand, but the recent advance of Russia in Central Asia has not failed to impress the minds of the Afghans with a sense of her irresistible might, while she herself no doubt is only waiting for an opportunity to apply her policy of peaceful absorption to Afghanistan with the hope of realising the same results as have crowned her efforts at Teheran and Pekin. The existing treaty obligations which constitute Afghanistan neutral territory and debar European Powers from maintaining even commercial representatives at Kandahar, are of the utmost importance to the Government of India. No action on the part of Russia which may lead even indirectly to her gaining a footing in Afghanistan can be permitted, while any direct

[1] To give an idea of the activity of the Russian Ministry of Finance outside Persia, where it is represented by the Banque d'Escompte de Perse, it will be sufficient to enumerate the places where branches have been established of the Russo-Chinese Bank: Andijan, Batum, Biisk, Blagovestchensk, Bombay, Bokhara, Calcutta, Chifu, Colombo, Dalny, Hailar, Hakodate, Harbin, Hong-Kong, Irkutsk, Kalgan, Kashgar, Harbaroffsk, Kokand, Kiatka, Kirin, Kobe, Krasnoyarsk, Kuldja, Moscow, Mukden, Nagasaki, Newchwang, Nikolsk, Uliassutai, Urga, Paris, Pekin, Port Arthur, Samarkand, Shanghai, Stretensk, Tashkent, Tientsin, Tchita, Tsitsihar, Verckniudinsk, Vladivostok, Verni, Yokohama, Teline, Kouantchendze, Zeiskaia, Pristan, Vitim, Nicolaieffsk. Cf. "The Russian Advance," by Albert Y. Beveridge, p. 153.

and overt infringement of Afghan neutrality must be regarded as a *casus belli*.[1]

It is with the view of preventing complications of this kind, not with any desire of conquest and annexation, that a mission under Colonel Younghusband is now proceeding to Tibet. Our commercial relations with Tibet are defined by the Anglo-Tibetan Conventions of 1890 and 1893, by which our frontier was determined, and the Tibetans agreed to open trade marts and give facilities for commerce between India and their country. These obligations have never been fairly carried out, owing to the pressure of Chinese commercial interests on the one side and Russian political intrigues on the other. A climax was reached in the summer of 1902, when a treaty concerning Tibet was concluded between China and Russia. The text of this treaty was first published in a German newspaper and subsequently confirmed by the *Novy Krai*, the organ of Admiral Alexeieff at Port Arthur. By this treaty China handed over the administration of Tibet to Russia and even agreed to the reorganisation of the military forces of the country by Russia on a European model.[2] The result has been evident in the complete dislocation of Indian trade with Tibet. To remedy this a mission was despatched by the Indian Government in June 1903, which was to meet the envoys of Tibet

[1] Compare Appendix 3.

[2] In a despatch dated April 8th, 1903, however, Lord Lansdowne informed Sir C. Scott that he had had a conversation with the Russian Ambassador, Count Benckendorff, who "was now able to assure me officially that there was no convention about Tibet, either with Tibet itself or with China, or with any one else, nor had the Russian Government any agents in that country, or any intention of sending agents or missions there. . . . Count Benckendorff went on to say that although the Russian Government had no designs whatever upon Tibet, they could not remain indifferent to any serious disturbance of the *status quo* in that country. Such a disturbance might render it necessary for them to safeguard their interests in Asia, not that, even in this case, they would desire to interfere in the affairs of Tibet, as their policy '*ne viserait le Thibet en aucun cas*,' but they might be obliged to take measures elsewhere." This might have been taken as a definite repudiation of any plan to join hands with France in South-east Asia, had we not had too much experience of such statements. Cf. Appendix 10.

with a view to arriving at a better understanding. The Tibetans, however, failed to send envoys to the appointed place of meeting. The Maharajah of Nepal, who is a vassal of Tibet, protested in vain, and, after being kept waiting for some months, the British mission was ordered to leave the country. The Indian Government has decided not to submit to this premeditated insult, and a force under Colonel Younghusband has been instructed to enter the Chumbi Valley and advance as far as Gyamgtse. On November 30th it was reported that no advance would be made for the present, and possibly not till January 1904, when Lord Curzon will have returned to Calcutta.[1]

British rights in China are confined to the privileges secured by the Treaty of Tientsin, signed in 1858, and by certain railway concessions of subsequent date. By the Treaty of Tientsin certain ports, known as Treaty Ports, are declared open to trade, and British subjects residing in these ports enjoy extra-territorial rights. Free and unmolested right to trade is the only privilege we have sought from China, but other Powers, induced by different needs, have adopted a different course. The treaty ports, where all imports pay the customs dues of the Chinese tariff, are obnoxious to Russia, and she will make every effort to lessen their trade, or, as in the case of Newchwang, to establish a firm hold with a view to eventual annexation. Meanwhile Dalny is a free port, and as such competes for the commerce of Newchwang. If British trade enters Manchuria by this port the revenues of China will suffer in proportion, and on these revenues the dividends of Chinese bondholders depend. Lord Salisbury, speaking at the Albert Hall in May 1898, said that in his opinion Russia made a great mistake

[1] *Times*, August 3rd and 5th, September 19th, November 17th, 22nd, and 30th, 1903. *Daily Chronicle*, November 18th and 27th, 1903. *Spectator*, November 21st, 1903. *Asiatic Quarterly Review*, October, 1903, p. 225. V. Chirol, "The Middle Eastern Question," p. 198. Cf. Appendix 10.

in taking Port Arthur, it was of no use to her whatever. He evidently did not foresee that by means of her free ports she hoped to oust British trade from China, "and in obtaining Port Arthur effected the keymove of the political game." With Port Arthur as a base she can command Korea and put pressure upon Pekin by a simultaneous advance from east and west. It must never be forgotten that Pekin is Russia's objective, and she is now moving rapidly towards her goal from every side. The Chinese Eastern Railway has only to be prolonged from Newchwang to the Great Wall to bring her to the confines of China from the east, and it is no secret that she is meditating an extension from Hailar to Kalgan, some 60 miles north-west of Pekin. Mr. Wirt Gerrare, in his recently published work on "Greater Russia," maintains that this railway is already being built and that he saw construction trains passing over it. Other travellers, who have visited the locality as recently as July 1902, deny that any trace of this line exists. Much has been written too of late about Russian advances in Mongolia, and of her desire to exploit the gold mines it contains, but here again fear seems to have exaggerated, or, at any rate, antedated the actual facts. The Russo-Chinese Bank is not, as has been stated, the holder of a mining concession at Urga, though a concession has been granted to a private individual, M. Grot, who works it with the utmost tenderness for Mongolian susceptibilities—for Mongols have a deep objection to industries which involve a disturbance of the soil.

The Korean difficulty is still in an acute stage, but though the course of negotiations up to November 30th, 1903, pointed to the probable abandonment of Russian claims upon Korea in return for the recognition of her position in Manchuria, matters have since then taken a more serious turn. The Japanese seem to have scored a success against

Russia in inducing the Chinese to decline the new conditions about Manchuria. So far from yielding, as they were supposed to be ready to do, the Chinese have invited the Russians to fulfil the original convention. The United States have also backed up the Chinese, while Great Britain has not taken a leading part, but has given the same advice as the United States and Japan. It is far too early to predict success in the maintenance of peace, but evidently neither Japan nor America will refrain from saying to Russia what they think of her. In England, I am afraid, the baneful notion of an "understanding" with Russia is misleading men like the Will o' the Wisp. Even if the present difficulty with Korea should be arranged without resort to arms, there remains the general question of the future of the Chinese Empire, and the Russian press has declared over and over again what the intentions of the Government of the Tsar are in this respect.

The partition of China appears to be a fact of the near future, and even if the partition is averted it is well that we should be prepared for a definite line of action quite apart from mere considerations of commerce. "Unless England secures her proper share of the Celestial Empire, we shall not only lose the markets which are more or less absolutely essential for the very existence of the masses in the Three Kingdoms, but we shall be endangering the safety of our colonies of Hong-Kong, the Straits Settlements, and also our possessions in Burmah and the Malay Peninsula"; at any rate, this is the opinion of Mr. Pickering, at one time Protector of the Chinese in the Straits Settlements, of whom Sir Robert Hart has said that he had unique opportunities of becoming acquainted with all classes, races, and languages of Chinese. "In these countries and islands, the backbone of the population, the source of revenue and prosperity, are the Chinese, of whom, in the Straits, Malay States, and Hong-Kong, we

have at a moderate estimate three-quarters of a million adults, the majority of whom, leaving their families at home, are entirely at the mercy of the Powers which rule the Celestial Empire. Were England to neglect her duties and allow the French and Russians to be paramount at Pekin, I feel certain that, in case of war, the Chinese of our colonies could be so manipulated, either by promises of favours or by threats of punishment to their families in China, that we should find it very difficult to keep down rebellion within, and at the same time defend our coaling stations and most valuable colonies from external attack."

If we could trust to treaty agreements, we might consider ourselves safe; but if any one will consider Article I. of the Russo-Chinese Convention, concluded in 1898, which stipulates that the sovereign rights of China shall not be infringed by the lease of Port Arthur and Talienwan, and will turn to any account of the present position of those harbours, he will obtain one more proof, if proof be needed, that Russia is not in the habit of respecting treaties when their observance ceases to be convenient to her, and something more than a belief in her fidelity to her engagements is needed if our interests in the Far East are to be adequately safeguarded. In my opinion, no treaties will ever prevent a Russian advance, the one consideration which will prove effective being the knowledge that war will inevitably ensue from a forward step.[1]

In the Far East, then, we have to maintain our position as defined by treaties, from the Treaty of Tientsin down to our agreements with Germany and Russia and our alliance with Japan. These agreements are little

[1] To Russian undertakings no one, who remembers the Port Arthur negotiations, will attach any weight. On that occasion the formal undertakings about Port Arthur and Talienwan repeatedly given by Count Mouravieff as Foreign Minister with absolute definiteness to Sir N. O'Conor, the British Ambassador, were afterwards explained to be only "ideas which I may have expressed very confidentially," but "which ought never to have been interpreted as assurances, and could not in reality have had such a signification." Cf. "Correspondence on the Affairs of China," No. 1, 1898, p. 65; cf. also pp. 48, 51, and 59. See also Appendix 2.

known to the general public—which is here, as in all free communities, the ultimate arbiter—and the Foreign Office is apt to fail to insist on their fulfilment, as, for instance, in the case of Newchwang, the harbour of which Russia seized, as well as the terminus of the Shan-hai-Kwan Railway, on the flimsiest of pretexts in 1900, and which she still holds, in cynical disregard of her illegal position.[1]

We have not only to enforce our treaty rights throughout the Chinese Empire and to stand by our allies, we have also to make reasonable use of the advantages we have gained. Reference is here made not merely to railway and commercial concessions wrung from China and paraded as triumphs but never utilised, but to concessions of territory such as that which we have leased at Wei-hai-wei. If Japan is to respect us as her ally, we must not have to depend on her for harbours and docks in North China. Not only should

[1] The tone of the Foreign Secretary in conversation is firm enough. The last assurance, given by Russia on January 8th, 1904, to the effect that she had "no intention whatever of placing any obstacle in the way of the continued enjoyment by foreign Powers of the rights acquired by them in virtue of the treaties now in force" with regard to Manchuria, caused Lord Lansdowne to say to the Russian Ambassador that he had received similar assurances from him before, and that he could not "help regretting that Russia should have found it impossible to take even a single step in pursuance of the policy she has prescribed for herself. I trusted that his Excellency would forgive my telling him frankly that in this country people were looking for some concrete evidence of Russia's intention to make good her promises. An announcement that Newchwang was to be evacuated would certainly have a reassuring effect. So far as I was aware there was no local difficulty in the way." ("Correspondence respecting the Russian Occupation of Manchuria and Newchwang, China," No. 2, 1904, p. 98.) On February 9th, 1904, Lord Percy stated in the House of Commons with regard to Newchwang that "as to the maritime and native customs, the maritime customs were being paid into the Russo-Chinese Bank to the credit of the Russian Government, and His Majesty's Government were not aware that any account had been rendered to the Chinese Government. As to the native customs, they were informed that the Russian Government had lately removed the representative of the Imperial Revenue Customs and had put in a nominee of their own. They had continually made representations to the Russian Government on the subject of Manchuria and of our treaty rights at Newchwang, where the revenues were applied to the service of the railway line and the Chinese indemnity." Lord Percy stated at the same time that it was the intention of the Government to appoint and send out consuls to the treaty ports of Mukden and Antung opened under the United States Treaty of October 1903.

the island and harbour at Wei-hai-wei be developed as we are developing our newly acquired territory opposite Hong-Kong, but the territory also, which is far larger than is generally known. The fortifications, which in some cases are almost completed, should be finished; the excellent Chinese regiment already raised should be maintained; and the question of the breakwater to keep out torpedo attacks, on which so much stress has been laid, should be decided. Anything more calculated to bring us into contempt than the method adopted of raising and half disbanding the Chinese regiment, or that of planning and half finishing fortifications, cannot be imagined. It is useless to send out first-rate administrators like the present Commissioner at Wei-hai-wei (now, by the way, under the Colonial Office), first-rate statesmen, diplomatists, and consular agents, to represent Great Britain at Pekin, Tokyo, Hankow, Shanghai, Teheran, and, above all, Calcutta, unless the Foreign Minister has a definite and connected policy and explains it to his agents. This used to be the practice of Lord Palmerston, but has never been done since his time.

"The policy of Russia in Persia," says Mr. Chirol, "is only part of a great system commercial, military, and political, which is being steadily built up by the persevering hands of Russian statesmen, whose breadth of grasp and continuity of purpose are liable to no disturbance from the fluctuations of public sentiment or the precariousness of Parliamentary majorities. To them Teheran is merely one link in a long chain which stretches from Constantinople to Pekin"—we might add from Port Victoria on the Atlantic to Port Lazareff on the Pacific.

In the preceding pages it has appeared that the trade of Great Britain is concerned in that of the White Sea, of the Baltic, of the Black Sea, of the Persian Gulf, and the China Seas, and it has been shown that it is not only the United Kingdom but our colonies and dependencies that have a stake

therein. In these last pages it has appeared that, taking the frontiers of the Russian Empire from east to west, Great Britain has an interest direct and indirect in barring the advance of Russia, an interest which we are in most cases bound by treaty to defend. In Korea, in China, in Tibet and Afghanistan, in Persia, in Turkey in Asia, in Turkey in Europe, and last, but not least, at our very doors in Sweden and Norway, we have political interests of the first order. But our commercial interests are not less. Ten years ago Lord Curzon wrote in his "Problems of the Far East": "It is only in the East, and especially in the Far East, that we may still hope to keep and to create open markets for British manufactures. Every port, every town, every village, that passes into French or Russian hands, is an outlet lost to Manchester or Bombay."

In 1903 Mr. Chirol writes: "Russia has practically ousted British trade from the whole of Central Asia by a policy of rigid exclusiveness. The commercial treaty she has recently imposed upon Persia has been skilfully framed to the same purpose." From a recent inquiry held by the Government of India, it appears, according to *The Pioneer*, that "Indian export traders have little to complain of in the matter of unfavourable tariffs as far as most foreign countries are concerned, though a distinct exception appears to exist in the case of Russia." The course of British trade in Russia itself as compared with German trade has been traced in the chapter on "Commerce," and some supplementary tables from the recent Board of Trade Bluebook [Cd. 1,961, 1903] are inserted in the Appendix. But it is worth while to quote here at length the opinion expressed by Mr. Michell, Consul-General at St. Petersburg, as to the new general customs tariff promulgated in January 1903, which has a very serious significance for British interests: "In the absence of a specific agreement with Russia respecting the rates of duty on the importation of British goods, we are obliged to depend entirely on the most-favoured-nation clause of her

treaty in order to secure for them the advantages which Germany enjoys in virtue of concessions made to and received from Russia in the matter of customs rates levied on their respective productions. This dependence on our part on the most-favoured-nation clause of our treaty with Russia does not in many cases effectually serve as a protection to our commercial interests; for in regard to several classes of goods which Germany does not produce and export, but which the United Kingdom does, no special agreement was concluded under the commercial convention still in force between Germany and Russia; and consequently the duties on such goods are at the higher rates levied under the general customs tariff of the empire. Thus, the most-favoured-nation clause of our treaty becomes inoperative where German interests are not concerned."

It would seem from this report that there was nothing to be done to induce the Russian Government to adopt a different line and that we must take up the same attitude in commercial matters as the Foreign Office has apparently done in Persia up to and including the present year. But a secret report of M. de Witte (*Times*, February 26th, 1899) shows that, however bold a front is maintained by Russian protectionists, the commander of the fortress, if he is not inclined to surrender, can at any rate see excellent reasons for negotiation. "At the present moment," wrote M. de Witte, "nearly all the markets of Europe are closed by means of customs tariffs against our agricultural products. The duties in Germany on these products are almost equal to their cost; in France they even exceed it. In such conditions it is almost impossible to count upon a more or less enduring rise in prices. But there is one country which still clings to the principles of free trade, though, of course, entirely from motives of self interest. That country is England, which has long held the foremost place among European countries as the largest purchaser of agri-

cultural produce. In 1897 the total gross value of agricultural produce imported into England was estimated at 2,000,000,000 roubles (£212,766,000), or 50 roubles 23 kopeks per head of the population. It is very plain therefore, how important it would be for Russia to have a permanent and reliable market here for her products. Meanwhile statistics for 1897 show that our share in this business is, as yet, comparatively small. . . . As regards the export of wheat to England, Russia is far behind America. In 1897 America sent wheat to the value of 123,000,000 roubles (£13,087,234), and Russia only for 51,000,000 (£5,425,531). Russia plays an insignificant part also in the importation of flour into England . . . and yet England, as already explained, is the only market in which Russia can find relief for her present agricultural depression. England is not less important as a market for placing Russian funds. This was the case in fact before the Afghan frontier troubles which compelled us to transfer our funds to Berlin and subsequently, under pressure of political complications, to France. But in this matter State Secretary Witte does not find it possible to entertain any great hope for the future. France having invested her money in our bonds, she finds it superfluous to go any further. On the contrary, while striving to export her goods to Russia, she closely shuts the doors of the French markets by means of prohibitive duties against the products of Russian agriculture, whereas serious commercial and industrial relations can only be established on the basis of reciprocity.

"These considerations have induced the Minister of Finance to give special attention to the conditions of the English market, which is at the same time a much larger one than that of France. With this end in view certain measures have been taken to establish commercial relations; but while doing this a very important circumstance has been explained, namely that the possibility of strengthening such relations

depends in England almost entirely upon public opinion, which is guided much more by political than by economic reasons; so that when Englishmen feel a sympathy with any particular country they are quite willing to purchase the products of that country and to place their money in its funds. As soon, however, as their political views change they sell out their stock, and put every possible obstacle in the way of imports, even though in doing so they may be obliged to pay dearer for goods from other countries."

Now in matters commercial and industrial, as well as in matters naval and military, it is better to negotiate if it is possible to obtain "peace with honour" than to fight. The results of the tariff war between France and Italy, which lasted from 1888 to 1899 and is estimated to have cost the two countries £120,000,000 sterling, not to mention that between France and Switzerland, which lasted from 1892 to 1895, should be borne in mind. It is quite true that it is possible to inflict damage on an adversary, but *duobus litigantibus* there is always the *tertius gaudens*. In the case of commercial war between England and Russia, either Germany or America, which is encroaching on the position England has hitherto held in the machinery trade in Russia, or both, might be the gainers. The result of the Franco-Italian tariff war was that Italy lost the greater part of her wine trade with France, and France ceased to supply Italy with colonial produce, and certain branches of Italian textiles, iron, and machinery trade passed to German houses. There is no question that requires more careful handling, and none where political party spirit can do so much harm, but at the same time it is the one point on which free traders of the strictest sect can, without abating one jot of their principles, unite with the extreme protectionists, for was not Mr. Cobden himself the author of the Anglo-French commercial treaty of 1860? Not only is there room for direct negotiation, but M. de Witte has indicated a practical basis, and

this is borne out by the view of M. Fedoroff, the President of the Department of Trade and Industry in the Russian Society for the Study of the Orient, who believes that the real interests of Russia lie in the direction of peace, and even of alliance with England. England itself is an excellent market for Russian commodities, and there is the further possibility that Russia might take a respectable place in the Indian market. Failing direct negotiations there are still two alternatives before the *ultima ratio*, as Prince Bismarck called it, of commercial war, namely, either an extension to matters commercial of the principles laid down at The Hague Conference or an international conference similar to the Brussels Sugar Conference with the wider scope suggested by M. de Witte which has already been mentioned, and the application to iron and other industries of the principles adopted with regard to sugar.

A most favourable opportunity will be afforded, as has been noticed, for the consideration of these questions in 1904, when the commercial treaties between several of the great commercial countries terminate.

There is another question between England and Russia which is likely to arise in Parliament, not only this year, but for many years to come. It is the subject of alien immigration. From the census of 1901 it appears that out of 286,925 alien immigrants into the United Kingdom in that year, no less than 95,265 were Russians and Poles. The causes of this invasion are set forth by the Royal Commissioners on Alien Immigration in paragraphs 22-5 of their report published in 1903. They say:—

"The causes are partly economic and partly due to oppressive measures. During the last seventy years there has been a more or less marked exodus of Jews from Russia. The influences impelling this movement in its commencement were, however, different from those which subsequently arose. Some of the emigrants were fugitives, others left in order to escape military

service, while others again were anxious to find a wider field for their activity."

The assassination of Alexander II. was followed by the repressive enactments known as the May Laws of 1882.

"The principal provision of these laws was that the Jews, who had hitherto been allowed to live anywhere within the fifteen provinces of the Jewish pale, a territory containing 313,608 square miles, were now required to prove that they had the right to live on the land prior to 1882. All who were unable to do so were driven into the towns. Moreover, the restrictions on the right to live outside the limits of the fifteen provinces, which had been relaxed during the late Tsar's reign, were now enforced with extreme severity, and the Jews, especially the poorer classes, were expelled wholesale and driven within the pale.

"Some idea of the results of these measures may be gained from the fact that within eighteen months after their promulgation the Jewish population of the town of Tschernigor rose from 5,000 to 20,000 souls. This, of course, produced great economic pressure in the towns, a condition which the increase of population has since accentuated. It was mainly the forcing of the Jews into the towns that led to the exodus to England and America in the same twenty years; and although the great rush of emigration . . . has since subsided, the expulsive influence still prevails.

"With regard to Poland, the laws regulating the lives of the Jews are somewhat different from those prevailing in Russia proper. In Poland, no restriction being placed upon their right to reside anywhere within the ten provinces of the ancient kingdom, they are not forced into the towns. Here the causes of emigration are mainly economic."

It cannot therefore be said that we have not a right, apart from the grounds of humanity and the general principles of liberty, to concern ourselves with the internal affairs of the Russian Empire and the

system of government delineated in the Introduction. It would have been easy for any one who knows Russia well to lay stress on the treatment of prisoners in Russian prisons, the survivals of torture, such as the feeding on salt meat, the deprivation of water, the flagellation, and the cruel use of boards for trussing men and throwing them down. These and other such abuses have been set forth in the columns of a great English newspaper, *The Standard*. But for my purpose it is sufficient to point to the rise of discontent among the dissenters shown by the religious riot at Pavlovka in 1901, and to the increase of the revolutionary propaganda which has spread as far as the workshops of Harbin in Manchuria, to the treatment of the students at Kieff (*Times*, December 29th, 1903), to the circumstances of the recent trials at Kishineff, and the treatment of the Armenians in the Caucasus, all of which seem likely to bear fruit in further emigration. Lastly there has been a fresh outburst of political assassination in the last few months, for instance that of M. Metlenko, the Chief of Police at Bialystok, that of M. Pesliak, the President of the Court of Assize at Ufa, that of the police spy Ferkel at Pinsk, and of the police *agent provocateur* Piatnitzki, at Sormovo.

If these are illustrations of the political condition of Russia at the present time, an even gloomier outlook is portended by the Report of the Controller of the Treasury, published in *The Times* of November 16th, 1903. This report calls attention to the progressive increase in the arrears of annual payments by the peasants for the redemption of the land distributed among them at the time of the emancipation. Those arrears, which amounted in 1897 to 94,000,000 roubles, reached 121,300,000 roubles in 1902. It is impossible not to be struck by the fact that these arrears have not been diminished by the measures taken by the Government during the past ten years with the object of lessening that pecuniary

burden. The Controller is "driven to the conclusion that the compositions and extensions of time granted for these payments are not sufficient to maintain the economic existence of the rural population and that more radical measures are necessary to relieve them of fiscal charges which they are not in a position to bear."

Dealing with the policy of the ex-Minister of Finance, the report declares that his method consisted chiefly in giving subsidies drawn from the funds of the State Bank to manufacturers threatened with ruin, and in placing with those firms excessively large orders at high figures on behalf of the Government. The Controller considers the existing crisis to be the result of a too rapid and artificial growth of industry, far in excess of the capacity of the home market to absorb its products. "In the absence of a home market there is no basis for a solid and well-established industry, which is again dependent upon a flourishing agriculture." After a survey of the financial operations on behalf of these undertakings, the report asserts that large sums have been advanced in different ways for the maintenance of unsound firms, particularly in the metal industries. "All the advances of this description have been made under special conditions properly speaking inadmissible under the statutes of the bank. Such loans not justified by the statutes amounted to about 41,000,000 roubles at the beginning of 1900, to 65,000,000 roubles in the following year, and to more than 100,000,000 roubles in 1902." As a result the State Bank has assumed a preponderant part in the management of the business, thus exercising two incompatible functions—those of controllers and administrators. "That proceeding leads to undesirable results and much friction, especially when the subsidised enterprise, in spite of the assistance given to it, cannot be saved from bankruptcy." This report then evidently more than bears out the conclusions on these points arrived at

in the chapters on Agriculture, Industry, Commerce, and Finance.

But sad as this picture is, do not let us anticipate that a change is necessarily imminent. Alike in her political and her economic condition, the recuperative power of Russia is astounding. Consider the position after the Russo-Turkish War. Even now the recent programme of the Socialist Congress (published in *The Times* of December 14th, 1903, and set forth at length in Appendix 5) seems to point in the direction of delay. It seems incredible that any assembly of clever and resolute reformers should have committed to paper so many proposals admirably calculated to defeat their own ends. In a country where the vast majority of the inhabitants are absolutely devoted to the person of the ruler, where nine-tenths of those who suffer believe that their grievances would be immediately redressed if they could be made known to their Little Father, the Tsar, it is proposed to convert the autocracy into a democratic republic. One cannot imagine that any of the "*zemstvo* men," as the practical local government reformers are named, have set their names to such a proposal. In a country where, after the Tsar, the whole fabric of society rests upon the religious beliefs of the people, where in memory of the Redeemer the cross is still generally worn, and not by members of one sex only; where the *ikon*, or sacred image, is in every shop, every factory, every dwelling-house, from that of the Tsar to that of the humblest moujik, from that of the bishop to that of the most abandoned criminal; and where, however cynical and sceptical society may be, it never fails to conform to religious usage—it is proposed to disestablish the Church which has, as "Odysseus" observes, "always combined Christianity and patriotism and consequently been able to lead the whole nation." In a country where the mission of Holy Russia to the oppressed Slavonic brethren is universally believed in, it is proposed to dismember Russia by conceding the right of secession to such communities

as wish to secede. Lastly, in a country which believes that the Holy Places must be liberated from the Turk by force of arms, the proposal is made to abolish compulsory military service which is, as we have seen, the one school which is of undoubted value to the whole country at the present time. Such proposals show that the leading men amongst the Socialist reformers are in, but not of, Russia, and, though the Socialist movement has made undoubted progress among the armed forces of the State, they are more likely to unite the nation against foes at home or foes abroad should war break out with Japan and Great Britain be involved in it.[1]

With regard to such a war it is most difficult, especially in the case of an autocracy, to make any

[1] We must not forget that there is another Russia than that of Socialists and Anarchists, of corrupt officials and brutal police. The best idea that can be conveyed of it is to be found in the description given by Mr. F. W. Greene, of the United States army, of the religious service held before the redoubts of Plevna during the Turkish War of 1877.

"After the troops had all been visited an open-air mass was held. One division of about ten thousand men was drawn up on the plain west of Plevna, and about two miles from the high range of hills on which the Turkish batteries stood: the division was formed on three sides of a square, with a few squadrons of cavalry on each flank. In the centre stood the Emperor, alone and bareheaded, slightly in advance of his suite; in front of him was the priest in gorgeous robes, with a golden crucifix and the Bible laid on a pile of drums which answered for an altar; a short distance to one side was a choir consisting of twenty or thirty soldiers with fine musical voices. Every one uncovered his head and the service began in that slow sad chant which is peculiar to the Greek Church. At the name of Jesus every one of the vast crowd crossed himself. On the opposite hills, as the service went on, could be seen large numbers of Turks congregating in wonder at the assembly of this large number of men. Finally came the prayer for the repose of those who had died in the battle of a few days before. The Emperor knelt on the ground resting his head on the hilt of his sword: every one followed his example, and the whole division knelt there with their guns in one hand, crossing themselves with the other, and following in a subdued voice the words of the chant.

"Nothing could give a clearer perception of the relations between the Tsar and his men than this strangely impressive scene; the Gosudar Imperator (our Lord the Emperor) surrounded by his people, with arms in their hands, facing their hereditary enemies in religion and politics, and chanting in slow monotone, whose periods were marked by the booming of distant cannon, the requiem for their dead comrades. The Russians have no fewer daily sins to answer for than other people, but the feeling which binds the lower classes to their Tsar is one of purely religious enthusiasm and veneration which finds no counterpart elsewhere in these latter days."

This is that Holy Russia of which poets have sung, a "church militant here on earth."

prophecy of the course a great country like Russia is likely to take. It would probably be not far from the truth, if we assume that M. de. Witte and Count Lamsdorff are on the side of peace, and that M. Bezobrazoff and Admiral Alexeieff are on the side of war, but in any case we must not build too much on the predilection of the Tsar for peace in view of the proposals which led to The Hague Conference. Be it noted that the Russian army, which numbers 1,100,000 on a peace, and 4,600,000 men on a war footing, has suffered no diminution since 1898, and that the Russian navy, with a mercantile marine of only 3,038 vessels of 633,819 tons, is fourth in the list of the navies of the world. But above all we should read and digest the letter addressed by Count Andrassy, Chancellor of the Austro-Hungarian Empire, to Prince Bismarck on September 1st, 1879: "I entertain no doubt as to the personal intentions of the Emperor Alexander. I am convinced that he does not wish for war at present. But as the Minister of a neighbouring State I cannot forget that he had no desire for the war just concluded, and that from the beginning to the end he was trying to master the movement which originated in his own entourage. I consider it a European necessity to provide in some way against the danger."

Is there such a danger now, in spite of the high character and noble aspirations of the Tsar? And what is the policy of Great Britain at any one of the points at which her interests or those of her colonies, her dependencies, or her allies are, as we have seen in the preceding pages, affected?

If the judgment formed after so long a study is correct, the only consideration, which will ever bring Russian statesmen to pause in the far-reaching plans on which they have embarked, is the knowledge that war will be the inevitable result; and the object of the present volume has been to try and present to the public which decides and to the statesmen who guide the destinies of Great Britain, the materials

for forming a judgment on the momentous issues which must sooner or later arise.

History repeats itself, and in many respects the present crisis might remind the onlooker of the time when all Greece was on the tiptoe of excitement at the prospect of a conflict between her leading cities. But whether such a conflict between the Anglo-Saxon and Slavonic nations is now in prospect or not, the causes are there, and the pretexts are not far to seek. If these causes are to be minimised, if these pretexts are to be removed, it can only be by means of a clear policy definitely stated in its broad outlines to our colonies, our allies, and the world, and definitely explained in its details from day to day and from week to week, as occasion requires, to those great public servants by whom the posts of our Consular, Diplomatic, and Colonial services are so worthily filled.

So much for the preservation of peace, but the alternative of war must be unflinchingly faced, at the cost, the awful cost, of life and treasure. It is an alternative which no thinking man can ever contemplate without the gravest misgiving. Through self-denial and self-sacrifice, and, above all, through the exercise of that marvellous common sense which in our countrymen amounts almost to genius, there has been brought to regions far wider than those over which Roman eagles flew the *immensa Romanæ pacis majestas*, and therewith a system of liberty and justice, of enlightenment, and material well-being, such as no other empire has bestowed upon subject-races in the history of the world.

No man who has seen that system at work abroad, no man who has read or heard of its working at home, will lightly imperil it. But the time will come when other races, who feel that they, too, have a mission to accomplish, that they, too, have a civilisation to preach and enforce, will arise and challenge us, our empire, and our right to carry on our task.

This feeling may be expressed only in Count

Mouravieff's words: "We Russians bear upon our shoulders the new age, we come to relieve the tired men"; or it may take at any moment a more definite form. We have to remember alike the great work that our ancestors have under Divine Providence accomplished, and our own tremendous responsibility in regard to it.

"Since first the dominion of men was asserted over the ocean, three thrones of mark above all others have been set upon its sands: the thrones of Tyre, Venice, and England. Of the First of these great Powers only the memory remains; of the Second the ruin; the Third, which inherits their greatness, if it forget their example, may be led through prouder eminence to less pitied destruction."[1]

[1] John Ruskin, "Stones of Venice," p. 1. Cf. also Beveridge, "The Russian Advance," pp. 363 and following. *Spectator*, December 19th, 1903. *Standard*, October 31st, 1901. *Times*, April 26th, 1899; August 16th, 1901; August 27th and 29th, November 14th and 16th, December 16th, 1903.

An additional pretext for trouble between Great Britain and Russia is contained in Article I. of the Convention signed at Paris on March 30th, 1856, which runs as follows:—

"His Majesty the Sultan, on the one part, declares that he is firmly resolved to maintain for the future the principle invariably established as the ancient rule of his Empire, and in virtue of which it has, at all times, been prohibited for the ships of war of foreign Powers to enter the Straits of the Dardanelles and the Bosphorus; and that, so long as the Porte is at peace, His Majesty will admit no foreign ship of war into the said Straits.

"And Their Majesties the Queen of the United Kingdom of Great Britain and Ireland, the Emperor of Austria, the Emperor of the French, the King of Prussia, the Emperor of all the Russias, and the King of Sardinia, on the other part, engage to respect this determination of the Sultan, and to conform themselves to the principle above declared."

APPENDICES

1. Anglo-Russian Treaty of Commerce.—2. Far Eastern Treaties: (*a*) Sample Section of Northern Boundary Agreement, Treaty of Nerchinsk, 1689; (*b*) Treaty of Shimonoseki, 1895; (*c*) Mikado's Rescript withdrawing from Manchuria, 1895; (*d*) Cassini Convention, 1895; (*e*) Russo-Manchurian Railway Agreement, 1896; (*f*) Lease of Port Arthur, 1898; (*g*) Kiaochou Convention; (*h*) Anglo-Russian Agreement, 1899; (*i*) Russo-Chinese Convention, 1901; (*j*) Anglo-Japanese Alliance, 1902; (*k*) Manchurian Convention, 1902.—3. Central Asian Treaties: (*a*) Anglo-Russian Pamirs Agreement; (*b*) Anglo-Chinese Agreement, 1897; (*c*) Speech of Amir, 1885; (*d*) Indian Afghan Frontier Agreement; (*e*) Correspondence on Integrity of Persia; (*f*) Russo-Persian Convention, 1901; (*g*) German-Persian Treaty; (*h*) Russo-Persian Trade Statistics.—4. Russian Company Law Provisions.—5. The Russian Socialist Programme.—6. Anglo-Swedish Treaty.—7. Budget of 1904.—8. Fiscal Blue-book Tables.—9. Macedonian Question.—10. Tibetan Question.—11. Japanese and Russian Statements.

APPENDIX 1

TREATY OF COMMERCE AND NAVIGATION BETWEEN HER MAJESTY AND THE EMPEROR OF ALL THE RUSSIAS; WITH THREE SEPARATE ARTICLES THEREUNTO ANNEXED

Signed at St. Petersburg, January 12th, 1859

(*Ratifications exchanged at London, February 1st,* 1859)

Article I. There shall be between all the dominions and possessions of the two High Contracting Parties, reciprocal freedom of Commerce and Navigation. The subjects of each of the two Contracting Parties, respectively, shall have liberty freely and securely to come, with their ships and cargoes, to all places, ports, and rivers in the dominions and possessions of the other, to which other foreigners are or may be permitted to come; and shall, throughout the whole extent of the dominions and possessions of the other, enjoy the same rights, privileges, liberties, favours, immunities, and exemptions in matters of commerce and navigation, which are, or may be, enjoyed by native subjects generally.

It is understood, however, that the preceding stipulations in no wise affect the laws, decrees, and special regulations regarding commerce, industry, and police, in vigour in each of the two countries, and generally applicable to all foreigners.

Article II. No other or higher duties shall be imposed on the importation into the dominions and possessions of Her Britannic Majesty, of any article the growth, produce, or manufacture of the dominions and possessions of His Majesty the Emperor of all the Russias, from whatever place arriving, and no other or higher duties shall be imposed on the importation into the dominions and possessions of His Majesty the Emperor of all the Russias, of any article, the growth, produce, or manufacture of Her Britannic Majesty's dominions and possessions, from whatever place arriving, than are or shall be payable on the like article, the growth, produce, or manufacture of any other foreign country; nor shall any prohibition be imposed on the importation of any article, the growth, produce, or manufacture of the dominions and possessions of either of the two Contracting Parties into the dominions and possessions of the other, which shall not equally extend to the importation of the like articles being the growth, produce, or manufacture of any other country.

Article III. No other or higher duties or charges shall be imposed in the dominions and possessions of either of the Contracting Parties, on the exportation of any article to the dominions and possessions of the other, than such as are, or may be, payable on the exportation of the like article to any other foreign country; nor shall any prohibition be imposed on the exportation of any article from the dominions and possessions of either of the two Contracting Parties to the dominions and possessions of the other, which shall not equally extend to the exportation of the like article to any other country.

Article IV. The same reciprocal equality of treatment shall take effect in regard to warehousing, and to the transit trade, and also in regard to bounties, facilities, and drawbacks, which are or may be hereafter granted by the legislation of either country.

Article V. All merchandise and articles of commerce, the produce or manufacture, either of the dominions and possessions of His Majesty the Emperor of all the Russias, or of any other country, which are or may be legally importable into the ports of the United Kingdom of Great Britain and Ireland, its dominions and possessions, in British vessels, may likewise be imported into those ports in Russian vessels, without being liable to any other or higher duties, of whatever denomination, than if such merchandise and articles were imported in British vessels; and reciprocally, all merchandise and articles of commerce, the

produce or manufacture either of the United Kingdom of Great Britain and Ireland, its dominions and possessions, or of any other country, which are or may be legally importable into the ports of the dominions and possessions of His Majesty the Emperor of all the Russias, in Russian vessels, may likewise be imported into those ports in British vessels, without being liable to any other or higher duties, of whatever denomination, than if such merchandise and articles were imported in Russian vessels. Such reciprocal equality of treatment shall take effect without distinction, whether such merchandise and articles come directly from the place of origin, or from any other place.

In the same manner there shall be perfect equality of treatment in regard to exportation, so that the same export duties shall be paid, and the same bounties and drawbacks allowed, in the dominions and possessions of either of the High Contracting Parties, on the exportation of any article which is or may be legally exportable therefrom, without distinction, whether such exportation shall take place in Russian or British vessels, and whatever may be the place of destination, whether a port of the other Contracting Party or of any third Power.

Article VI. No duties of tonnage, harbour, pilotage, lighthouse, quarantine, or other similar or corresponding duties of whatever nature, or under whatever denomination, levied in the name or for the profit of Government, public functionaries, private individuals, corporations, or establishments of any kind, shall be imposed in the ports of either country upon the vessels of the other country, which shall not equally and under the same conditions be imposed in the like cases on national vessels in general—the intention of the two High Contracting Parties being that, save certain exemptions which the shipping of some ports of the United Kingdom of Great Britain and Ireland enjoys from old times, in this respect there shall not exist in their respective dominions and possessions, in regard to the above-mentioned duties, any privilege or preference whatever favouring the national flag to the prejudice of the flag of the other party. Such equality of treatment shall apply reciprocally to the respective vessels, from whatever port or place they may arrive, and whatever may be their place of destination.

Article VII. In all that regards the stationing, loading, and unloading of vessels in the ports, basins, docks, roadsteads, harbours, or rivers of the two countries, no privilege shall be granted to national vessels which shall not be equally granted to vessels of the other country; the intention of the Contracting Parties being that in this respect also the respective vessels shall be treated on the footing of perfect equality.

Article VIII. The stipulations of the preceding Articles shall not apply to the coasting trade, which each of the High Contracting Parties shall regulate according to its own laws.

The vessels of each of the two Contracting Parties shall, however, be at liberty, according as the captain, proprietor, or other person duly authorised to act as agent for the vessel or cargo, shall consider advisable, to proceed from one port of one of the two States to one or several ports of the same State, in order to discharge the whole or part of their cargo brought from abroad, or in order to take in or complete their cargo, without paying other duties than those to which national vessels are, or may hereafter be, liable in similar cases.

Article IX. All vessels which according to the laws of Great Britain are to be deemed British vessels, and all vessels which according to the laws of the Empire of Russia are to be deemed Russian vessels, shall for the purposes of this Treaty be deemed British and Russian vessels respectively.

Article X. Her Britannic Majesty engages that in all matters relating to commerce and navigation, the subjects of His Majesty the Emperor of all the Russias shall, in the British dominions, be entitled to every privilege, favour, and immunity which is actually granted, or may hereafter be granted, by Her Britannic Majesty to the subjects or citizens of any other Power; and His Majesty the Emperor of all the Russias, actuated by a desire to foster and extend the commercial relations of the two countries, engages that any privilege, favour, or immunity whatever, in regard to commerce and navigation, which His Imperial Majesty has actually granted, or may hereafter grant, to the subjects or citizens of any other State, shall be extended to the subjects of Her Britannic Majesty.

Article XI. The subjects of either of the two High Contracting Parties, conforming themselves to the laws of the country, shall have:

1. Full liberty, with their families, to enter, travel, or reside in any part of the dominions and possessions of the other Contracting Party.

2. They shall be permitted, in the towns and ports, to hire or possess the houses, warehouses, shops, and premises, which may be necessary for them.

3. They may carry on their commerce, either in person or by any agents, whom they may think fit to employ.

4. They shall not be subject, in respect of their persons or property, or in respect of passports, licences for residence or establishment, nor in respect of their commerce or industry, to any taxes, whether general or local, nor to imposts or obligations of

any kind whatever, other or greater than those which are or may be imposed upon native subjects.

Article XII. The dwellings and warehouses of the subjects of either of the two High Contracting Parties in the dominions and possessions of the other, and all premises appertaining thereto, destined for purposes of residence or commerce, shall be respected. If there should be occasion to make search of, or a domiciliatory visit to, such dwellings and premises, or to examine or inspect books, papers, or accounts, such measures shall be executed only in conformity with the legal warrant or order in writing of a tribunal, or of the competent authority.

The subjects of either of the two Contracting Parties in the dominions and possessions of the other shall have free access to the courts of justice for the prosecution and defence of their rights. They shall enjoy in this respect the same rights and privileges as subjects of the country, and shall, like them, be at liberty to employ in all causes, their advocates, attorneys, or agents, from among the persons admitted to the exercise of those professions according to the laws of the country.

Article XIII. The subjects of either of the two Contracting Parties in the dominions and possessions of the other shall be at full liberty to acquire, possess, and dispose of every description of property which the laws of the country may permit any foreigners, of whatsoever nation, to acquire and possess. They may acquire and dispose of the same, whether by purchase, sale, donation, exchange, marriage, testament, succession *ab intestato*, or in any other manner, under the same conditions as are established by the laws of the country for all foreigners. Their heirs and representatives may succeed to and take possession of such property, either in person or by agents acting on their behalf, in the same manner, and in the same legal forms as subjects of the country. In the absence of heirs and representatives the property shall be treated in the same manner as the like property belonging to a subject of the country under similar circumstances.

In none of these respects shall they pay upon the value of such property any other or higher impost, duty, or charge than is payable by subjects of the country. In every case the subjects of the Contracting Parties shall be permitted to export their property, or the proceeds thereof if sold, freely, and without being subjected on such exportation to pay any duty as foreigners, or any other or higher duties than those to which subjects of the country are liable under similar circumstances.

Article XIV. The subjects of either of the two High Contracting Parties in the dominions and possessions of the other shall be exempted from all compulsory military service whatever, whether

in the army, navy, or national guard or militia. They shall be equally exempted from all judicial and municipal charges and functions whatever, as well as from all contributions, whether pecuniary or in kind, imposed as a compensation for personal service; and, finally, from forced loans and military exactions or requisitions.

In regard, however, to judicial and municipal charges and functions, those shall be excepted which are consequent upon the possession of real property or of a lease; and in regard to military exactions and requisitions, those which all subjects of the country may be required to furnish as landed proprietors or as farmers.

Article XV. It shall be free for each of the two High Contracting Parties to appoint Consuls-General, Consuls, Vice-Consuls, and Consular Agents to reside in the towns and ports of the dominions and possessions of the other. Such Consuls-General, Consuls, Vice-Consuls, and Consular Agents, however, shall not enter upon their functions until after they shall have been approved and admitted, in the usual form, by the Government to which they are sent.

They shall exercise whatever functions, and enjoy whatever privileges, exemptions, and immunities are or shall be granted there to Consuls of the most favoured nation.

Article XVI. Any ship of war or merchant-vessel of either of the High Contracting Parties which may be compelled by stress of weather or by accident to take shelter in a port of the other shall be at liberty to refit therein, to procure all necessary stores, and to put to sea again without paying any dues other than such as would be payable in a similar case by a national vessel. In case, however, the master of a merchant-vessel should be under the necessity of disposing of a part of his merchandise in order to defray his expenses he shall be bound to conform to the regulations and tariffs of the place to which he may have come.

If any ship of war or merchant-vessel of one of the High Contracting Parties should run aground or be wrecked upon the coasts of the other, such ship or vessel, and all parts thereof, and all furniture and appurtenances belonging thereunto, and all goods and merchandise saved therefrom, including any which may have been cast into the sea, or the proceeds thereof if sold, as well as all papers found on board such stranded or wrecked ship or vessel, shall be given up to the owners or their agents when claimed by them. If there are no such owners or agents on the spot, then the same shall be delivered to the British or Russian Consul-General, Consul, or Vice-Consul in whose district the wreck or stranding may have taken place, upon being claimed by him within the period fixed by the laws of the country; and such Consuls,

owners, or agents shall pay only the expenses incurred in the preservation of the property, together with the salvage, or other expenses, which would have been payable in the like case of a wreck of a national vessel.

The goods and merchandise saved from the wreck shall be exempt from all duties of custom, unless cleared for consumption, in which case they shall pay the same rate of duty as if they had been imported in a national vessel.

In the case either of a vessel being driven in by stress of weather, run aground, or wrecked, the respective Consuls-General, Consuls, Vice-Consuls, and Consular Agents shall, if the owner or master or other agent of the owner is not present, or is present and requires it, be authorised to interpose in order to afford the necessary assistance to their fellow-countrymen.

Article XVII. The Consuls-General, Consuls, Vice-Consuls, and Consular Agents, of either of the High Contracting Parties, residing in the dominions and possessions of the other, shall receive from the local authorities such assistance as can by law be given to them for the recovery of deserters from ships of war or merchant-vessels of their respective countries.

Article XVIII. The Ionian Islands being under the protection of Her Britannic Majesty the subjects and vessels of those Islands shall enjoy in the dominions and possessions of His Majesty the Emperor of Russia all the advantages which are granted by the present Treaty to the subjects and vessels of Great Britain as soon as the Government of the Ionian Islands shall have agreed to grant the same reciprocal advantages in those Islands to Russian subjects and vessels; it being understood that, in order to prevent abuses, every Ionian vessel claiming the benefits of the present Treaty shall be furnished with a patent signed by the Lord High Commissioner or his Representative.

Article XIX. The stipulations of the present Treaty shall be applicable to all vessels navigating under the Russian flag, without any distinction between the Russian Mercantile Marine, properly so-called, and that which belongs more particularly to the Grand Duchy of Finland, which forms an integral part of the Empire of Russia.

In regard to commerce and navigation in the Russian Possessions on the North-West Coast of America, the Convention concluded at St. Petersburg on the $\frac{16}{28}$th of February, 1825, shall continue in force.

Article XX. The High Contracting Parties being desirous to secure, each within its own dominions, complete and effectual protection against fraud for the manufactures of the other, have

agreed that any piracy or fraudulent imitation in one of the two countries of the manufacturers' or tradesmen's marks originally affixed *bona fide* to goods produced in the other, in attestation of their origin and quality, shall be strictly prohibited and repressed. Her Britannic Majesty engages to recommend to Her Parliament to adopt such measures as may be required to enable her to give the more complete execution to the stipulations of this Article.

Article XXI. The High Contracting Parties reserve to themselves to determine hereafter, by a special Convention, the means of reciprocally protecting copyright in works of literature and of the fine arts, within their respective dominions.

Article XXII. The present Treaty of Commerce and Navigation shall remain in force for ten years from the date of the exchange of the ratifications; and further, until the expiration of twelve months after either of the High Contracting Parties shall have given notice to the other of its intention to terminate the same; each of the High Contracting Parties reserving to itself the right of giving such notice to the other at the expiration of the first nine years, or at any time afterwards.

The present Treaty shall be ratified, and the ratifications shall be exchanged at London in six weeks, or sooner if possible.

In witness whereof the respective Plenipotentiaries have signed the same, and have affixed thereto the seal of their arms.

Done at St. Petersburg, this $\frac{\text{twelfth day of January,}}{\text{thirty-first day of December,}}$ in the year of our Lord, one thousand eight hundred and fifty-$\frac{\text{nine.}}{\text{eight.}}$

(*Signed*) JOHN F. CRAMPTON.
(L.S.)
PRINCE A. GORTCHACOW.
(L.S.)

SEPARATE ARTICLE I

The Commercial intercourse of Russia with the Kingdoms of Sweden and Norway being regulated by special stipulations, which may hereafter be renewed, and which do not form part of the regulations applicable to foreign commerce in general, the two High Contracting Parties, being desirous of removing from their commercial relations every kind of doubt or cause for discussion, have agreed that those special stipulations granted in favour of the commerce of Sweden and Norway, in consideration of equivalent

advantages granted in those countries to the commerce of the Grand Duchy of Finland, shall in no case apply to the relations of Commerce and Navigation established between the two High Contracting Parties by the present Treaty.

Separate Article II

It is equally understood that the exemptions, immunities, and privileges hereinafter mentioned, shall not be considered as at variance with the principle of reciprocity which forms the basis of the Treaty of this date, that is to say:—

(1) The exemption from navigation dues during the first three years, which is enjoyed by vessels built in Russia, and belonging to Russian subjects.

(2) The permission granted to the inhabitants of the coast of the Government of Archangel, to import duty free, or on payment of moderate duties, into the ports of the said Government, dried or salted fish, as likewise certain kinds of furs, and to export therefrom, in the same manner, corn, rope and cordage, pitch and ravens-duck.

(3) The privilege of the Russian American Company.

(4) The immunities granted in Russia to certain English and Netherland Companies, called "Yacht Clubs."

Separate Article III

The present Separate Articles shall have the same force and validity as if they were inserted, word for word, in the Treaty signed this day. They shall be ratified, and the ratifications thereof exchanged at the same time.

In witness whereof the respective Plenipotentiaries have signed the same, and have affixed thereto the seals of their arms.

Done at St. Petersburg, this twelfth day of January / thirty-first day of December, in the year of our Lord, one thousand eight hundred and fifty-nine / eight.

(*Signed*) John F. Crampton.
(L.S.)
Prince A. Gortchacow.
(L.S.)

APPENDIX 2

(a) SAMPLE SECTION OF NORTHERN BOUNDARY AGREEMENT, TREATY OF NERCHINSK, 1689

FRENCH.

Art. I.

La riviere nommée Kerbetchi, qui est la plus proche de la rivière Charna, appelée en tartare Ourouan, et qui se décharge dans le fleuve Saghalien-Oula, servira de bornes aux deux empires ; et cette longue chaine de montagnes qui est au-dessous de la source de ladite rivière de Kerbetchi, et qui s'étend jusqu'à la mer Orientale, servira aussi de bornes entre les deux empires ; en sorte que toutes les rivières ruisseaux grands ou petits qui coulent de la partie méridionale de ces montagnes et vont se jeter dans le fleuve de Saghalien-Oula, et toutes les terres et pays qui sont au sud du sommet desdites montagnes appartiendront à l'empire de la Chine ; et que toutes les terres, pays, rivières et ruisseaux, qui sont de l'autre côté du sommet des autres montagnes s'étendant vers le nord demeureront à l'empire de Moscovie, avec cette clause néanmoins que tout le pays qui est immédiatement entre ladite chaine de montagnes et la rivière nommée Oudi demeurera indécis, jusqu'à ce que les ambassadeurs des deux parties, étant retournés dans leur pays, ayent pris les informations et les connaissances nécessaires pour traiter de cet article, après quoi on décidera l'affaire, ou par des ambassadeurs ou par lettres.

RUSSIAN (trans.).

Art. I.

The river Gorbitza, which joins the Schilka from its left side near the river Tchernaya, is to form the boundary between the two empires. The boundary from the source of that river to the sea will run along the top of the mountain chain (in which the river rises). The jurisdiction of the two empires will be divided in such a way that (the valleys of) all the rivers or streams flowing from the southern slope of these mountains to join the Amur shall belong to the Empire of China (lit. of Han), while (the valleys of) all the rivers flowing down from the other or northern side of these mountains shall be similarly under the rule of His Majesty the Tsar of the Russian Empire. As to (the valleys of) the other rivers which lie between the Russian river Oud and the aforesaid mountains—running near the Amur and extending to the sea—which are now under Chinese rule, the question of the jurisdiction over them is to remain open. On this point (Russian) ambassadors are at present without explicit instructions from the Tsar. Hereafter, when the ambassadors on both sides shall have returned (? to their respective countries) the Tsar and the Emperor of China (Han) will decide the question on terms of amity, either by sending Plenipotentiaries or by written correspondence.

CHINESE (trans.).

Art. I.

The river Gorbitza, which is next to the Chorna (Tchernaya) or Wu-lun-mu River, and which enters the Amur from the north, shall constitute the boundary of the two Empires. The frontier line shall ascend the Gorbitza to the Shih-ta-hsing-an Range, and along that range (eastward) to the sea. The country to the south of this range, with all its rivers and streams entering the Amur, shall belong to China, and the country to the north of the range with its rivers and streams shall belong to Russia.

(b) TREATY OF SHIMONOSEKI, BY WHICH SOUTHERN MANCHURIA WAS CEDED TO JAPAN

(*Signed April* 17*th,* 1895; *ratified at Chefoo, May* 8*th,* 1895)

Article I. China recognises definitely the full and complete independence and autonomy of Korea, and in consequence the payment of tribute and the performance of ceremonies and formalities by Korea to China in derogation of such independence and autonomy shall wholly cease for the future.

Article II. China cedes to Japan in perpetuity and full sovereignty the following territories, together with all fortifications, arsenals, and public property thereon:

(*a*) The southern portion of the province of Feng-t'ien within the following boundaries:

The line of demarcation begins at the mouth of the river Yalu and ascends that stream to the mouth of the river Anping; from thence the line runs to Feng Huang; from thence to Haicheng; from thence to Ying-Kow, forming a line which describes the southern portion of the territory. The places above named are included in the ceded territory. When the line reaches the river Liao at Ying-Kow it follows the course of that stream to its mouth, where it terminates. The mid-channel of the river Liao shall be taken as the line of demarcation.

The cession also includes all islands appertaining or belonging to the province of Feng-t'ien, situated in the eastern portion of the bay of Liaotung and in the northern part of the Yellow Sea.

(*b*) The island of Formosa, together with all islands appertaining to the said island of Formosa.

(*c*) The Pescadores Group—that is to say, all islands lying between the one hundred and nineteenth and twelfth degrees of longitude east of Greenwich and the twenty-third and two hundred and fortieth degrees of north latitude.

Article III. The alignments of the frontiers described in the preceding article, and shown on the map, shall be subject to verification and demarcation on the spot by a Joint Commission of delimitation, consisting of two or more Japanese, and two or more Chinese delegates, to be appointed immediately after the exchange of the ratifications of this act. In case the boundaries laid down in this act are found to be defective at any point, either on account of topography or in consideration of good administration, it shall also be the duty of the Delimitation Commission to rectify the same.

The Delimitation Commission will enter upon its duties as

soon as possible, and will bring its labours to a conclusion within the period of one year after appointment.

The alignments laid down in this act shall, however, be maintained until the rectifications of the Delimitation Commission, if any are made, shall have received the approval of the Governments of Japan and China.

Article IV. China agrees to pay to Japan as a war indemnity the sum of two hundred million Kuping taels. The said sum to be paid in eight instalments. The first instalment of fifty million taels to be paid within six months, and the second instalment of fifty million taels to be paid within twelve months after the exchange of the ratifications of this act. The remaining sum to be paid in six equal annual instalments as follows: The first of such equal instalments to be paid within two years; the second within three years; the third within four years; the fourth within five years; the fifth within six years; and the sixth within seven years, after the exchange of the ratifications of this act. Interest at the rate of five per centum per annum shall begin to run on all unpaid portions of the said indemnity from the date the first instalment falls due.

China, however, shall have the right to pay by anticipation at any time any or all of said instalments. In case the whole amount of said indemnity is paid within three years after the exchange of ratifications of the present act, all interest shall be waived and the interest for two years and a half or for any less period, if then already paid, shall be included as a part of the principal amount of the indemnity.

Article V. The inhabitants of the territories ceded to Japan, who wish to take up their residence outside the ceded districts, shall be at liberty to sell their real property and retire. For this purpose a period of two years from the date of the exchange of the ratifications of the present act shall be granted. At the expiration of that period, those of the inhabitants who shall not have left such territories shall, at the option of Japan, be deemed to be Japanese subjects.

Each of the two Governments shall, immediately upon the exchange of the ratifications of the present act, send one or more commissioners to Formosa to effect a final transfer of that province, and within the space of two months after the exchange of the ratifications of this act such transfer shall be completed.

Article VI. All treaties between Japan and China having come to an end in consequence of war, China engages, immediately upon the exchange of the ratifications of this act, to appoint plenipotentiaries to conclude, with the Japanese plenipotentiaries, a treaty of commerce and navigation and a convention to regulate

frontier intercourse and trade. The treaties, conventions, and regulations now subsisting between China and European Powers shall serve as a basis for the said treaty and convention between Japan and China. From the date of the exchange of the ratifications of this act until the said treaty and convention are brought into actual operation, the Japanese Government, its officials, commerce, navigations, frontier intercourse and trade, industries, ships, and subjects, shall, in every respect, be accorded by China most-favoured-nation treatment.

China makes, in addition, the following concessions, to take effect six months after the date of the present act:

First. The following cities, towns, and ports, in addition to those already opened, shall be opened to the trade, residence, industries, and manufactures of Japanese subjects, under the same conditions and with the same privileges and facilities as exist at the present open cities, towns, and ports of China:

1. Shashih, in the province of Hupeh.
2. Chung-King, in the province of Szechuan.
3. Suchow, in the province of Kiang-Su.
4. Hangchow, in the province of Chekiang.

The Japanese Government shall have the right to station consuls at any or all of the above-named places.

Second. Steam navigation for vessels under the Japanese flag for the conveyance of passengers and cargo shall be extended to the following places:

1. On the upper Yang-tse River, from Ichang to Chung-King.
2. On the Woosung River and the Canal, from Shanghai to Suchow and Hangchow.

The rules and regulations which now govern the navigation of the inland waters of China by foreign vessels shall, so far as applicable, be enforced in respect to the above-named routes, until new rules and regulations are conjointly agreed to.

Third. Japanese subjects purchasing goods or produce in the interior of China or transporting imported merchandise into the interior of China, shall have the right temporarily to rent or hire warehouses for the storage of articles so purchased or transported without the payment of any taxes or exactions whatever.

Fourth. Japanese subjects shall be free to engage in all kinds of manufacturing industries in all the open cities, towns, and ports of China, and shall be at liberty to import into China all kinds of machinery, paying only the stipulated import duties thereon.

All articles manufactured by Japanese subjects in China shall, in respect of inland transit and internal taxes, duties, charges, and

exactions of all kinds, and also in respect of warehousing and storage facilities in the interior of China, stand upon the same footing and enjoy the same privileges and exemptions as merchandise imported by Japanese subjects into China.

In the event that additional rules and regulations are necessary in connection with these concessions, they shall be embodied in the Treaty of Commerce and Navigation provided for by this article.

Article VII. Subject to the provisions of the next succeeding article, the evacuation of China by the armies of Japan shall be completely effected within three months after the exchange of the ratifications of the present act.

Article VIII. As a guarantee of the faithful performance of the stipulations of this act, China consents to the temporary occupation by the military forces of Japan, of Wei-hai-Wei, in the province of Shang-Tung.

Upon the payment of the first two instalments of the war indemnity herein stipulated for and the exchange of the ratifications of the Treaty of Commerce and Navigation, said place shall be evacuated by the Japanese forces, provided the Chinese Government consents to pledge, under suitable and sufficient arrangements, the Customs Revenue of China as security for the payment of the final instalment of said indemnity.

It is, however, expressly understood that no such evacuation shall take place until after the exchange of the ratifications of the Treaty of Commerce and Navigation.

Article IX. Immediately upon the exchange of the ratifications of this act, all prisoners of war then held shall be restored, and China undertakes not to ill-treat or punish prisoners of war so restored to her by Japan. China also engages to at once release all Japanese subjects accused of being military spies or charged with any other military offences. China further engages not to punish in any manner, nor to allow to be punished, those Chinese subjects who have in any manner been compromised in their relations with the Japanese army during the war.

Article X. All offensive military operations shall cease upon the exchange of the ratifications of this act.

Article XI. The present act shall be ratified by their Majesties the Emperor of Japan and the Emperor of China, and the ratifications shall be exchanged at Chefoo, on the eighth day of the fifth month of the twenty-eight year of Meiji, corresponding to the fourteenth day of the fourth month of the twenty-first year of Kuang Hsu.

In witness whereof, the respective plenipotentiaries have signed the same and have affixed thereto the seal of their arms.

Done at Shimonoseki, in duplicate, this seventeenth day of the fourth month of the twenty-eighth year of Meiji, corresponding to the twenty-third day of the third month of the twenty-first year of Kuang Hsu.

COUNT ITO HIROBUMI.
VISCOUNT MUTSU MUNEMITSU.
LI HUNG CHANG.
LI CHING-FONG.

SEPARATE ARTICLES

Article I. The Japanese Military Forces which are, under Article VIII. of the Treaty of Peace signed this day, to temporarily occupy Wei-hai-Wei, shall not exceed one brigade, and from the date of the exchange of the ratifications of the said Treaty of Peace, China shall pay annually one-fourth of the amount of the expenses of such temporary occupation—that is to say, at the rate of 500,000 Kuping taels per annum.

Article II. The territory temporarily occupied at Wei-hai-Wei shall comprise the island of Liu Kunk and a belt of land five Japanese ri wide along the entire coast-line of the bay of Wei-hai-Wei.

No Chinese troops shall be permitted to approach or occupy any places within a zone five Japanese ri wide beyond the boundaries of the occupied territory.

Article III. The Civil Administration of the occupied territory shall remain in the hands of the Chinese authorities. But such authorities shall at all times be obliged to conform to the orders which the Japanese army of occupation may deem it necessary to give in the interest of the health, maintenance, safety, distribution, or discipline of the troops.

All military offences committed within the occupied territory shall be subject to the jurisdiction of the Japanese military authorities.

The foregoing Separate Articles shall have the same force, value, and effect as if they had been word for word inserted in the Treaty of Peace signed this day.

In witness whereof, the respective plenipotentiaries have signed the same and have affixed thereto the seal of their arms.

Done at Shimonoseki, in duplicate, this seventeenth day of the fourth month of the twenty-eighth year of Meiji, corresponding to the twenty-first year of Kuang Hsu.

COUNT ITO HIROBUMI.
VISCOUNT MUTSU MUNEMITSU.
LI HUNG CHANG.

(c) MIKADO'S RESCRIPT WITHDRAWING FROM MANCHURIA
(*May 10th*, 1895)

We recently complied with the request of China, and in consequence appointed plenipotentiaries and caused them to confer with the plenipotentiaries appointed by China and to conclude a Treaty of Peace between the two empires.

Since then the Governments of their Majesties the Emperors of Russia and Germany and of the Republic of France have united in a recommendation to our Government not to permanently possess the peninsula of Feng-t'ien, our newly acquired territory, on the ground that such permanent possession would be detrimental to the lasting peace of the Orient.

Devoted as we unalterably are and ever have been to the principles of peace, we were constrained to take up arms against China for no other reason than our desire to secure for the Orient an enduring peace.

Now the friendly recommendation of the three Powers was equally prompted by the same desire. Consulting, therefore, the best interests of peace, and animated by a desire not to bring upon our people added hardship or to impede the progress of national destiny, by creating new complications and thereby making the situation difficult and retarding the restoration of peace, we do not hesitate to accept such recommendation.

By concluding the Treaty of Peace, China has already shown her sincerity of regret for the violation of her engagements, and thereby the justice of our cause has been proclaimed to the world.

Under the circumstances we can find nothing to impair the honour and dignity of our empire if we now yield to the dictates of magnanimity and, taking into consideration the general situation, accept the advice of the friendly Powers.

Accordingly we have commanded our Government, and have caused them to reply to the three Powers in the above sense.

Regarding the arrangements by which we will renounce the permanent possessions of the peninsula, we have specially commanded our Government that the necessary measures shall be made the subject of future negotiations and adjustments with the Government of China.

Now, the exchange of ratifications of the Treaty of Peace has already been effected, the friendly relations between the two empires have been re-established, and cordial relations with all other Powers are also strengthened.

We therefore command our subjects to respect our will; to

take into careful consideration the general situation; to be circumspect in all things; to avoid erroneous tendencies; and not to impair or thwart the high aspirations of our empire.

[IMPERIAL SIGN MANUAL.]

[COUNTERSIGNED BY ALL MINISTERS OF STATE.]

(d) THE (REPUTED) CASSINI CONVENTION

TEXT PUBLISHED BY THE NORTH CHINA "DAILY NEWS" AS THAT OF AN AGREEMENT CONCLUDED AT PEKIN BY COUNT CASSINI, THE RUSSIAN MINISTER, IN 1895

His Imperial Majesty the Emperor of China having received the various benefits arising from the loyal support of His Imperial Majesty the Emperor of Russia at the close of the late war between China and Japan, and being desirous that the communications between the frontier territories of their respective empires and the international commerce of the two countries should be managed to their mutual advantage, has commanded the mutual settlement of certain matters in order the better to consolidate the basis of friendship between the two empires. In this connection, therefore, His Imperial Majesty the Emperor of China has specially appointed the Imperial High Commissioners, the Princes and great officers of the Crown, composing the Imperial Chinese Ministry of War, with plenipotentiary powers, to confer and agree upon certain matters, at Pekin, with His Excellency Count Cassini, Envoy Extraordinary and Minister Plenipotentiary of H.I.M. the Emperor of Russia, to the Court of China, concerning the connecting of the railway system of the three Eastern Provinces (Feng-t'ien, Kirin, and Hei-Lung-Kiang) with that of the Imperial Russian Railway in the province of Siberia, with the object of facilitating the transport of goods between the two empires, and of strengthening the frontier defences and sea-coasts. And, furthermore, to agree upon certain special privileges to be conceded by China to Russia as a response to the loyal aid given by Russia in the retrocession of Liaotung and its dependencies:

1. Owing to the fact that the Russian Great Siberian Railway is on the point of completion, China consents to allow Russia to prolong her railway into Chinese territories (*a*) from the Russian port of Vladivostok into the Chinese city of Hunchun, in the province of Kirin, from thence north-westward to the provincial capital of Kirin, and (*b*) from a railway-station of some city in Siberia to the Chinese town of Aigun in Hei-Lung-Kiang province, from thence south-westward to the provincial capital of

Tsitsihar, and from thence to the town of Petunê in Kirin province, and from thence south-eastward to the provincial capital of Kirin.

2. All railways built by Russia into the Chinese provinces of Hei-Lung-Kiang and Kirin shall be built at the sole expense of Russia, and the regulations and buildings thereof shall be solely on the Russian system, with which China has nothing to do, and the entire control shall be in the hands of Russia for the space of thirty years. At the end of the said period China shall be allowed to prepare the necessary funds wherewith, after proper estimation of the value of the said railways, she shall redeem them, the rolling-stock, machine-shops, and buildings connected therewith. But as to how China will at that date redeem these railways shall be left for future consideration.

3. China is now in the possession of a railway, which she intends to extend from Shan-hai-Kwan into the provincial capital of Feng-t'ien—namely, Mukden (Shengking), and from Mukden to the provincial capital of Kirin. If China should hereafter find it inconvenient to build this road, she shall allow Russia to provide the funds to build the railway from the city of Kirin on behalf of China, the redemption of which road shall be permissible to China at the end of ten years. With reference to the route to be taken by this railway, Russia shall follow the surveys already made by China in connection therewith, from Kirin to Mukden, Newchwang, etc.

4. The railway to be built by China, beginning from Shan-hai-Kwan, in Feng-t'ien, to Newchwang, to Kaiping, to Chinchou, to Lushunk'ou (Port Arthur), and to Talienwan and their dependencies, shall follow the Russian railway regulations, in order to facilitate the commercial intercourse between the respective empires.

5. With reference to the railways to be built by Russia into Chinese territory, the routes along which the said roads shall pass must be protected, as usual, by the local, civil, and military officials of the country. They shall, moreover, afford all facilities and aid to the civil and military officials of Russia at the various railway-stations, together with all the Russian artisans and labourers connected therewith. But, owing to the fact that the said railways will pass, for the greater part, through barren and sparsely inhabited territory, in which it will be difficult for the Chinese authorities to be always able to grant the necessary protection and aid, Russia shall be allowed to place special battalions of horse and foot soldiers at the various important stations for the better protection of the railway property.

6. With reference to the Customs duties to be collected on goods exported from and imported into the respective countries

by the said railways, they shall follow the regulations provided by the Treaty of Commerce between China and Russia, ratified in the first year of the reign of Tung Chin, fourth day, second moon (20th of February, 1862, O.S.), regulating overland transit of goods between the two empires.

7. There has always been in existence a rule prohibiting the exploitation of the mines in Hei-Lung-Kiang and Kirin provinces, and in the Ch'angpai mountains (Long White mountain range). After the ratification of this Treaty, Russians and subjects of the Chinese Empire shall be permitted hereafter to exploit and open any of the mines therein mentioned; but before doing so they shall be required first to petition the Chinese local authorities on the subject, who, on the other hand, shall grant the necessary commissions (huchas) in accordance with the mining regulations in force in China Proper.

8. Although there exist certain battalions of foreign-drilled troops (Lienchun) in the three Eastern provinces, yet the greater portion of the local territorial Army Corps thereof still follow the ancient regulations of the empire. Should, therefore, China in the future require to reform, in accordance with the Western system, the whole army organisation of the said provinces, she shall be permitted to engage from Russia qualified military officers for that purpose, and the rules for the guidance of this arrangement shall be in accordance with those obtaining in the Liang-Kiang provinces in regard to the German military officers now engaged there.

9. Russia has never possessed a seaport in Asia which is free from ice and open all the year round. If, therefore, there should suddenly arise military operations in this Continent, it will naturally be difficult for the Russian Eastern Seas and Pacific Fleets to move about freely and at pleasure. As China is well aware of this, she is willing to lease temporarily to Russia the port of Kiaochou, in the province of Shan-Tung, the period of such lease being limited to fifteen years. At the end of this period China shall buy all the barracks, godowns, machine-shops, and docks built there by Russia (during her occupation of the said port). But, should there be no danger of military operations, Russia shall not enter immediately into possession of the said port, or hold the important points dominating the port, in order to obviate the chance of exciting the jealousy and suspicions of other Powers. With reference to the amount of rent and the way it is to be paid, this shall form the subject of consideration in a Protocol at some future date.

10. As the Liaotung ports of Lushunk'ou (Port Arthur) and Talienwan and their dependencies are important strategical

points, it shall be incumbent upon China to properly fortify them with all haste, and to repair all their fortifications, etc., in order to provide against future dangers; Russia shall, therefore, lend all necessary assistance in helping to protect these two ports, and shall not permit any foreign Power to encroach upon them. China, on her part, also binds herself never to cede them to another country, but if, in future, the exigencies of the case require it, and Russia should find herself suddenly involved in a war, China consents to allow Russia temporarily to concentrate her land and naval forces within the said ports, in order the better to enable Russia to attack the enemy or to guard her own position.

11. If, however, there be no danger of military operations in which Russia is engaged, China shall have entire control over the administration of the said ports of Lushunk'ou and Talienwan; nor shall Russia interfere in any way therein. But, as regards the building of the railway in the three Eastern Provinces, and the exploitation and opening of the mines therein, they shall be permitted to be proceeded with immediately after the ratification of this Convention, and at the pleasure of the people concerned therein. With reference to the Civil and Military officers of Russia and Russian merchants and traders travelling (in any part of the territories herein mentioned), wherever they shall go, they shall be given all the privilege of protection and facilities within the power of the local authorities; nor shall these officials be allowed to put obstructions in the way or delay the journeys of the Russian officers and subjects herein mentioned.

12. After this Convention shall have received the respective signatures of their Imperial Majesties (the Emperors of China and of Russia) the articles included therein shall go into immediate force, and, with the exception of the clauses regarding Port Arthur, Talienwan, and Kiaochou, shall be notified to the various local authorities of the two empires. As to the place for the exchange of ratifications, it shall be left to be decided at some future time, but the exchange shall take place within the space of six months.

It has, furthermore, been agreed upon between the respective Plenipotentiaries of the High Contracting Powers to make this Convention out in three languages—namely, Chinese, Russian, and French, one copy of each language to be held by the respective High Contracting Parties, after the signing and sealing thereof. And it has, furthermore, been shown, upon comparison, that the contents of the documents, as given in the three languages aforesaid, tally with each other in all respects; but in case of dispute, in the future, the wording of the French copy shall be deemed the correct version.

(e) THE RUSSO-MANCHURIAN RAILWAY AGREEMENT

STATUTES OF THE CHINESE EASTERN RAILWAY COMPANY

Section 1. On the strength of the Agreement concluded on the 27th August (8th September), 1896, by the Imperial Chinese Government with the Russo-Chinese Bank, a Company is formed, under the name of the "Eastern Chinese Railway Company," for the construction and working of a railway within the confines of China, from one of the points on the western borders of the province of Hei-Lung-Kiang to one of the points on the eastern borders of the province of Kirin, and for the connection of this railway with those branches which the Imperial Russian Government will construct to the Chinese frontier from Trans-Baikalia and the Southern Ussuri lines.

The Company is empowered, subject to the sanction of the Chinese Government, to exploit, in connection with the railway, or independently of it, coal-mines, as also to exploit in China other enterprises—mining, industrial, and commercial. For the working of these enterprises, which may be independent of the railway, the Company shall keep accounts separate from those of the railway.

The formation of the Company shall be undertaken by the Russo-Chinese Bank.

With the formation of the Company all rights and obligations are transferred to it in regard to the construction and working of the line ceded in virtue of the above-named Agreement of the 27th August (8th September), 1896.

The Company shall be recognised as formed on the presentation to the Minister of Finances of a Warrant of the State Bank, certifying the payment of the first instalment of the shares. In any case, such payment must be made not later than two months from the day of confirmation of the present statutes.

The succeeding instalments on the shares shall be paid in such order of gradation that the shares shall be fully paid up at their nominal value not later than one year from the day of formation of the Company.

Owners of shares of the Company may only be Russian and Chinese subjects.

Section 2. In virtue of the Agreement with the Chinese Government, the Company shall retain possession of the Chinese Eastern Railway during the course of eighty years from the day of the opening of traffic along the whole line.

Section 3. In recognition that the enterprise of the Chinese Eastern Railway will be realised only owing to the guarantee given

by the Russian Government in regard to the revenue of the line for covering working expenses, as well as for effecting the obligatory payments on the bonds (sections 11, 16), the Company on its part binds itself to the Russian Government, during the whole term of the Concession, under the following obligations:—

(A) The Chinese Eastern Railway, with all its appurtenances and rolling-stock, must be always maintained in full order for satisfying all the requirements of the service of the line in regard to the safety, comfort, and uninterrupted conveyance of passengers and goods.

(B) The traffic on the Chinese Eastern line must be maintained conformably with the degree of traffic on the Russian railway lines adjoining the Chinese line.

(C) The trains of all descriptions running between the Russian Trans-Baikal and Ussuri lines shall be received by the Chinese Eastern Railway and despatched to their destination, in full complement, without delay.

(D) All through trains, both passenger and goods, shall be despatched by the Eastern Chinese Railway at rates of speed not lower than those which shall be adopted on the Siberian Railway.

(E) The Chinese Eastern Railway is bound to establish and maintain a telegraph along the whole extent of the line, and to connect it with the telegraph wire of the Russian adjoining railways, and to receive and despatch, without delay, through telegrams sent from one frontier station of the line to another, as also telegrams sent from Russia to China, and conversely.

(F) Should, with the development of traffic on the Chinese Eastern Railway, its technical organisation prove insufficient for satisfying the requirements of a regular and uninterrupted passenger and goods traffic, the Chinese Eastern Railway shall immediately, on receipt of a notification on the part of the Russian railways to augment its capacity to a corresponding degree, adopt the necessary measures for further developing its technical organisation and the traffic on it. In the event of a difference of opinion arising between the above-mentioned railways, the Chinese Eastern Railway shall submit to the decision of the Russian Minister of Finance. If the means at the command of the Chinese Eastern Railway prove insufficient for carrying out the necessary work of its development, the Board of Management of the Railway may at all times apply to the Russian Minister of Finance for pecuniary assistance on the part of the Russian Government.

(G) For all transit conveyance of passengers and goods, as also for the transmission of telegrams, there will be established by agreement of the Company with the Russian Government, for the whole term of duration of the Concession,

¶ Maximum tariffs, which cannot be raised without the consent of the Russian Government during the whole term above referred to. Within these limits the tariffs of direct communication, both for railway carriages and telegrams, will be fixed by the Board of Management of the Company on the strength of a mutual agreement with the Russian Minister of Finance.

(H) The Russian letter and parcels post, as also the officials accompanying the same, shall be carried by the Chinese Eastern Railway free of charge.

For this purpose the Company shall set apart in each ordinary passenger train a carriage compartment of three fathoms in length. The Russian postal authorities may, moreover, if they deem it necessary, place on the line postal carriages, constructed by them at their own cost; and the repair, maintenance (interior fittings excepted), as well as the running of such carriages with the trains, shall be free of charge and at the cost of the railway.

The above-mentioned engagements—by which, as already stated, the grant of a guarantee by the Russian Government is conditioned, and the consequent realisation of the enterprise of the Chinese Eastern Railway—shall be binding on the railway until the same, after the expiration of the eighty years' term of the Concession, shall, without payment, become the property of the Chinese Government (section 29). The redemption of the line from the Company before the above-mentioned term, in accordance with section 30 of the present statutes, shall not in any way diminish the effect of the above-specified engagements, and these latter, together with the railway, shall be transferred to its new proprietor.

In the same manner, during the course of the whole eighty years' term of the Concession (¶ 2), the following privileges granted to the railway by the Imperial Chinese Government shall remain in force:

(*a*) Passengers' luggage, as also goods, carried in transit from one Russian station (? to another) shall not be liable to any Chinese Customs duties, and shall be exempt from all internal Chinese dues and taxes.

(*b*) The rates for the carriage of passengers and goods, for telegrams, etc., shall be free from all Chinese taxes and dues.

(*c*) Goods imported from Russia into China by rail, and exported from China to Russia in the same manner, shall pay respectively an import or export Chinese duty to the extent of one-third less as compared with the duty imposed at Chinese seaport custom-houses.

(*d*) If goods imported by the railway are destined for conveyance inland, they shall in such case be subject to payment of transit

duty to the extent of one-half of the import duty levied on them, and they shall then be exempted from any additional imposts. Goods which shall not have paid transit duty shall be liable to payment of all established internal carrier and lits-zin (? likin) dues.

Section 4. In regard to the place of acquisition of materials for the requirements of the railway, the Company shall not be liable to any limitations. If materials be obtained beyond the confines of Russia, they shall, on importation through Russian territory, be freed from payment of Russian Customs duties.

Section 5. The breadth of the railway track must be the same as that of the Russian lines (five feet).

The Company must commence the work not later than the 16th August, 1897, and conduct it in such a manner that the whole line shall be completed not later than six years from the time when the direction of the line shall be finally determined and the necessary land assigned to the Company.

When tracing the line of the railway, cemeteries and graves, as also towns and villages, must, so far as possible, be left aside of the railway.

When effecting the connection, in accordance with section 1 of the statutes, of the Chinese Eastern Railway with the Russian Trans-Baikal and South Ussuri lines, the Company shall have the right, with a view to reduction of expenditure, of abstaining from building its own frontier stations and of utilising the frontier stations of the above-named Russian lines. The conditions on which they shall be so utilised shall be determined by agreement of the Board of the Company with the Boards of the respective railways.

Section 6. The tariffs for the carriage of passengers and goods, as also for supplementary carriage rates, shall be determined by the Company itself, within the limits indicated in section 3.

Section 7. Crimes, litigation, etc., on the territory of the Chinese Eastern Railway shall be dealt with by local authorities, Chinese and Russian, on the basis of existing Treaties.

In regard to the carriage of passengers and goods, the responsibility of such conveyance, the lapse of time for claims, the order of recovering money from the railway when adjudged, and the relations of the railway to the public shall be defined in rules drawn up by the Company and established before the opening of the railway traffic; and these rules shall be framed in accordance with those existing on Russian railways.

Section 8. The Chinese Government has undertaken to adopt measures for securing the safety of the railway and of all employed on it against any extraneous attacks.

The preservation of order and decorum on the lands assigned to the railway and its appurtenances shall be confided to police agents appointed by the Company.

The Company shall, for this purpose, draw up and establish police regulations.

Section 9. The whole amount of the capital of the Company shall be determined according to the cost of construction calculated on the basis of estimates framed when the survey of the line was carried out. The foundation capital shall be charged with (*a*) the payment of interest and amortisation of the foundation capital during the construction of the railway; (*b*) the purchase from the Russian Government of the results of the surveys of the direction of the railway to Manchuria which were made by Russian engineers; the sum payable for these surveys will be determined by agreement of the Russian Minister of Finance with the Company.

The capital of the Company shall be formed by the issue of shares and bonds.

Section 10. The share capital of the Company shall be fixed at 5,000,000 nominal credit roubles, and divided into 1,000 shares at 5,000 nominal credit roubles.

The shares are to be issued at their nominal value.

The guarantee of the Russian Government does not extend to them.

Section 11. The remaining portion of the capital of the Company will be formed by the issue of bonds. The bonds will be issued in measure of requirement, and each time with the special sanction of the Minister of Finance. The nominal amount and value of each separate issue of bonds, the time and condition of the issue, as also the form of these bonds, shall be subject to the sanction of the Minister of Finance.

The Russian Government will guarantee the interest on and amortisation of the bonds.

For the realisation of these bonds the Company must have recourse to the Russo-Chinese Bank, but the Russian Government reserves to itself the right of appropriating the bond loan at a price which shall be determined between the Company and the Bank, and to pay the Company the agreed amount in ready money.

Section 12. As payments are received for bonds guaranteed by the Russian Government, the Company shall be bound to keep such sums, or interest-bearing securities purchased with the same by permission of the Russian Minister of Finance, under the special supervision of the Russian Ministry of Finance.

Out of the above receipts the Company shall have the right to make the following payments:—

(*a*) According to actual fulfilment of the work in progress and execution of orders, and at the time when various expenditures shall become necessary, such payments to be made on the scale and on the conditions specified in the working estimates.

(*b*) During the construction of the line, of interest, as it becomes due, on the bonds issued by the Company, subject to the conditions of their issue, and the Company shall pay the sums necessary for the above purpose within the limits of the amount realised by it in the emission of its bonds.

Section 13. On the payment of the first allotment on the shares, the founders shall receive temporary certificates, on which, subsequently, when the Board of Management of the Company shall have been formed, the receipt of the further instalments on the shares will be inscribed.

When the shares shall be fully paid up, the temporary certificates issued to the founders shall be replaced by shares.

The shares of the Company are issued to bearer, under the signature of not fewer than three members of the Board of Management. To the shares will be attached a coupon-sheet for the receipt once yearly under them of any dividend that may be payable. On the coupon-sheets becoming exhausted, new sheets will be issued. A dividend on the shares out of the net profits of any year, supposing such accrue, shall be payable on the adoption by the general meeting of shareholders of the annual report for that year, and the dividend shall be payable at the offices of the Company, or at such places which it may indicate.

The Company shall notify, for general information in *The Official Gazette* and in *The Finance Messenger*, as also in one of the Chinese newspapers, the extent and place of payment of the dividend.

Section 14. The reserved capital is destined—

(*a*) For the capital repair of the railway, its buildings and appurtenances.

(*b*) For defraying extraordinary expenditure of the Company in repairing the railway and its appurtenances.

The reserve capital of the Company is formed out of annual sums put aside from the net profits of the working of the railway (section 17).

The reserve capital must be kept in Russian State interest-bearing securities, or in railway bonds guaranteed by the Russian Government.

At the expiration of the term of possession of the railway by the Company, the reserve capital shall be, first of all, employed

in the payment of the debts of the Company, including among them sums due to the Russian Government, if such exist; and after the debts of the Company shall have been paid, the remainder of the reserve capital shall be divided among the shareholders. In the event of the redemption of the railway by the Chinese Government, the reserve capital becomes the property of the shareholders.

Section 15. The net revenue of the Company shall be the remainder of the gross receipts after deduction of working expenses. Under these expenses are classed:

(*a*) General outlays, including assignments towards pension and relief funds, if such be established on the line.

(*b*) Maintenance of the staff of the Board of Management, and of all the services, as also the maintenance of employés and labourers not on the permanent list.

(*c*) Outlays for materials and articles used for the railway, as also expenditure in the shape of remuneration for using buildings, rolling-stock, and other various requisites for the purposes of the railway.

(*d*) Outlays for the maintenance, repair, and renewal of the permanent way, works of construction, buildings, rolling-stock, and other appurtenances of the railway.

(*e*) Expenditure connected with the adoption of the measures and instructions of the Board of Management for insuring the safety and regularity of the railway service.

(*f*) Expenditure for the improvement and development of the railway, as also the creating and developing its resources.

Section 16. Should the gross receipts of the railway prove insufficient for defraying the working expenses and for meeting the yearly payments due on the bonds, the Company will receive the deficient sum from the Russian Government, through the Russian Minister of Finance. The payments referred to will be made to the Company as advances, at a rate of interest of six per cent. per annum. Sums paid in excess to the Company in consequence of its demands and on account of the guarantee will be deducted from succeeding money payments.

On the presentation to the general meeting of shareholders of the annual report of the working of the railway for a given year, the Company shall at the same time submit to the general meeting, for confirmation, a detailed statement of the sums owing by the Company to the Russian Government, with the interest that has accrued thereon. On the confirmation of this statement by the general meeting, the Board of Management shall deliver to the Russian Government an acknowledgment of the Company's debt, to the full determined amount of the same, and this

acknowledgment, until its substitution by another, shall bear annually interest at the rate of six per cent.

The acknowledgment above mentioned, given by the Board of Management to the Russian Government, shall not be subject to bill or deed stamp tax.

Subjects of minor importance are dealt with in the following sections:—

Section 17. Distribution of net profits of the railway.

Section 18. Functions of Board of Management, the seal of which will be at Pekin and St. Petersburg.

Section 19. Constitution of the Board, which is to consist of nine members elected by the shareholders. The Chairman is to be appointed by the Chinese Government. The Vice-Chairman is to be chosen by the members of the Board from among themselves.

Sections 20–28. Administrative details.

Section 29. In accordance with the Agreement concluded with the Chinese Government, the latter, after the expiration of eighty years of possession of the railway by the Company, enters into possession of it and its appurtenances.

The reserve and other funds belonging to the Company, shall be employed in paying the money due to the Russian Government under the guarantee (section 16), and in satisfaction of other debts of the Company, and the remainder shall be distributed among the shareholders.

Any money that may remain owing by the Company to the Russian Government at the expiration of eighty years in respect of the guarantee shall be written off. The Russo-Chinese Bank will incur no responsibility in respect of the same.

Section 30. In accordance with the Agreement concluded with the Chinese Government, on the expiration of thirty-six years from the time of completion of the whole line and its opening for traffic, the Chinese Government has the right of acquiring the line, on refunding to the Company in full all the outlays made on it, and on payment for everything done for the requirements of the railway, such payments to be made with accrued interest.

It follows, as a matter of course, that the portion of the share capital which has been amortised by drawing, and the part of the debt owing to the Russian Government under the guarantee, and repaid out of the net profits (section 17), will not constitute part of the purchase money.

In no case can the Chinese Government enter into possession of the railway before it has lodged in the Russian State Bank the necessary purchase money.

The purchase money lodged by the Chinese Government shall be employed in paying the debt of the Company under its bonds, and all sums, with interest, owing to the Russian Government, the remainder of the money being then at the disposal of the shareholders.

(f) LEASE OF PORT ARTHUR

His Majesty the Emperor of China, on the sixth day of the third moon of the twenty-fourth year of Kuang Hsu (27th March, 1898), appointed the Grand Secretary, Li Hung Chang, and the Senior Vice-President of the Board of Revenue, Chang-Yin-Huan, as Plenipotentiaries to arrange with M. Pavloff, Chargé d'Affaires and Plenipotentiary for Russia, all matters connected with the leasing and use by Russia of Port Arthur and Talienwan.

The Treaty arranged between them in this condition is as follows :—

Article I. It being necessary for the due protection of her navy in the waters of North China that Russia should possess a station she can defend, the Emperor of China agrees to lease to Russia Port Arthur and Talienwan, together with the adjacent seas, but on the understanding that such lease shall not prejudice China's sovereignty over this territory.

Article II. The limits of the territory thus leased, for the reasons above stated, as well as the extent of territory north of Talienwan necessary for the defence of that now leased, and what shall be allowed to be leased, shall be strictly defined, and all details necessary to the carrying out of this Treaty be arranged at St. Petersburg by Hsu Ta-jen (the Chinese Minister to Russia) as soon as possible after the signature of the present Treaty, and embodied in a separate Treaty. Once these limits have been determined, all land held by Chinese within such limits, as well as the adjacent waters, shall be held by Russia alone on lease.

Article III. The duration of the lease shall be twenty-five years from the day this treaty is signed, but may be extended by mutual agreement between Russia and China.

Article IV. The control of all military forces in the territory leased by Russia, and of all naval forces in the adjacent seas, as well as of the civil officials in it, shall be vested in one high Russian official, who shall, however, be designated by some title other than Governor-General (Tsung-tu) or Governor (Hsun-fu). All Chinese military forces shall, without exception, be withdrawn from the territory; but it shall remain optional with the ordinary

Chinese inhabitants either to remain or to go, and no coercion shall be used towards them in this matter. Should they remain, any Chinese charged with a criminal offence shall be handed over to the nearest Chinese official to be dealt with according to Article VIII. of the Russo-Chinese Treaty of 1860.

Article V. To the north of the territory leased shall be a zone, the extent of which shall be arranged at St. Petersburg between Hsu Ta-jen and the Russian Foreign Office. Jurisdiction over this zone shall be vested in China, but China may not quarter troops in it except with the previous consent of Russia.

Article VI. The two nations agree that Port Arthur shall be a naval port for the sole use of Russian and Chinese men-of-war, and be considered as an unopened port so far as the naval and mercantile vessels of other nations are concerned. As regards Talienwan, one portion of the harbour shall be reserved exclusively for Russian and Chinese men-of-war, just like Port Arthur, but the remainder shall be a commercial port freely open to the merchant vessels of all countries.

Article VII. Port Arthur and Talienwan are the points in the territory leased most important for Russian military purposes. Russia shall, therefore, be at liberty to erect at her own expense forts and build barracks and provide defences at such places as she desires.

Article VIII. China agrees that the procedure sanctioned in 1896 regarding the construction of railroads by the Chinese Eastern Railway Company shall, from the date of the signature of this Treaty, be extended so as to include the construction of a branch line to Talienwan, or, if necessary, in view of the interests involved, of a branch line to the most suitable point on the coast between Newchwang and the Ya-lu River.[1] Further, the agreement entered into in September 1896, between the Chinese Government and the Russo-Chinese Bank, shall apply with equal strength to this branch line. The direction of this branch line and the places it shall touch shall be arranged between Hsu-Ta-jen and the Board of the Eastern Railroads. The construction of this line shall never, however, be made a ground for encroaching on the sovereignty or integrity of China.

Article IX. This Treaty shall take full force and effect from the date it is signed, but the ratifications shall be exchanged at St. Petersburg.

[1] By a subsequent agreement this "suitable point" was decided to be Talienwan and Port Arthur, and no other, and the city of Chin-chou T'ing was excluded from Russian jurisdiction.

(g) KIAOCHOU CONVENTION (1898)

I. His Majesty the Emperor of China is willing that German troops take possession of the above-mentioned territory at any time the Emperor of Germany chooses. China retains her sovereignty over this territory, and should she at any time wish to enact laws or carry out plans within the leased area, she shall be at liberty to enter into negotiations with Germany with reference thereto, provided always, that such laws or plans shall not be prejudicial to German interests. Germany may engage in works for the public benefit, such as water-works, within the territory covered by the lease, without reference to China. Should China wish to march troops or establish garrisons therein, she can do so only after negotiating with and obtaining the express permission of Germany.

II. His Majesty the Emperor of Germany, being desirous, like the rulers of certain other countries, of establishing a naval and coaling station, and constructing dockyards on the coast of China, the Emperor of China agrees to lease to him for the purpose all the land on the southern and northern sides of Kiaochou Bay for a term of ninety-nine years, Germany to be at liberty to erect forts on this land for the defence of her possessions therein.

III. During the continuance of the lease, China shall have no voice in the government or administration of the leased territory. It will be governed and administered during the whole term of ninety-nine years solely by Germany, so that the possibility of friction between the two Powers may be reduced to the smallest magnitude.

Chinese ships of war and merchant ships, and ships of war and merchant ships of countries having treaties and in a state of amity with China, shall receive equal treatment with German ships of war and merchant ships in Kiaochou Bay during the continuance of the lease. Germany is at liberty to enact any regulations she desires for the government of territory and harbour, provided such regulations apply impartially to the ships of all nations, Germany and China included.

IV. Germany shall be at liberty to erect whatever lighthouses, beacons, and other aids to navigation she chooses within the territory leased, and along the islands and coasts approaching the entrance to the harbour. Vessels of China and vessels of other countries entering the harbour shall be liable to special duties for repair and maintenance of all lighthouses, beacons, and other aids to navigation which Germany may erect and

establish. Chinese vessels shall be exempt from other special duties.

V. Should Germany desire to give up her interest in the leased territory before the expiration of ninety-nine years, China shall take over the whole area and pay Germany for whatever German property may at the time of the surrender be there situated. In case of such surrender taking place, Germany shall be at liberty to lease some other point along the coast. Germany shall not cede the territory leased to any other Power than China. Chinese subjects shall be allowed to live in the territory leased, under the protection of German authorities, and there to carry on their avocations and business so long as they conduct themselves as peaceable and law-abiding citizens. Germany shall pay a reasonable price to the native proprietors for whatever lands her Government or subjects require. Fugitive Chinese criminals taking refuge in the leased territory shall be arrested and surrendered to the Chinese authorities for trial and punishment, upon application to the German authorities, but the Chinese authorities shall not be at liberty to send agents into the leased territory to make arrests. The German authorities shall not interfere with the likin stations outside, but adjacent to the territory.

GERMAN RAILWAY AND MINING CONCESSION (1898)

The Chinese Government sanctions the construction by Germany of two lines of railroad in Shan-Tung. (Then follows a description of where the first line shall run and of an extension to the second line.) The construction of this extension shall not be begun until the first part of the line, the main line, is completed, in order to give the Chinese an opportunity of connecting this line in the most advantageous manner with their own railway system.

In order to carry out the above-mentioned railway work, a Chino-German company shall be formed, with branches at whatever places may be necessary; and in this company both German and Chinese subjects shall be at liberty to invest money if they choose, and to appoint directors for the management of the undertaking.

All arrangements in connection with the works specified shall be determined by a future conference of German and Chinese representatives. The Chinese Government shall afford every facility and protection, and extend every welcome to representatives of the German railway company, operating in Chinese territory.

Profits derived from the workings of these railroads shall be justly divided *pro rata* between the shareholders without regard to nationality. The object of constructing these lines is solely the development of commerce. In inaugurating a railway system in Shan-Tung, Germany entertains no treacherous intentions towards China, and undertakes not to seize unlawfully any land in the province.

The Chinese Government shall allow German subjects to hold and develop mining property for a distance of thirty li from each side of these railways and along the whole extent of the lines. (Here follows description of mining districts in detail.) Chinese capital may be invested in these operations, and arrangements for carrying on the work shall hereafter be made by a joint conference of Chinese and German representatives. All German subjects engaged in such work in Chinese territory shall be properly protected and welcomed by the Chinese authorities, and all profits derived shall be fairly divided between German and Chinese stockholders, according to the extent of the interest they hold in the undertakings. In trying to develop mining property in China, Germany is actuated by no treacherous motives against this country, but seeks alone to increase commerce and improve the relations between the two countries.

If at any time the Chinese should form schemes for the development of Shan-Tung, for the execution of which it is necessary to obtain foreign capital, the Chinese Government, or whatever Chinese may be interested in such schemes, shall, in the first instance, apply to German capitalists.

Application shall also be made to German manufacturers for the necessary machinery and materials before the manufacturers of any other Power are approached.

Should German capitalists or manufacturers decline to take the business, the Chinese shall then be at liberty to obtain money and materials from sources of other nationality than German.[1]

(*h*) ANGLO-RUSSIAN AGREEMENT RESPECTING SPHERES OF INFLUENCE IN CHINA

(*Signed April 28th*, 1899)

SIR C. SCOTT *to* COUNT MOURAVIEFF:

The undersigned British Ambassador, duly authorised to that effect, has the honour to make the following declaration to his Excellency Count Mouravieff, the Russian Minister of Foreign

[1] Beveridge, "The Russian Advance," p. 115.

Affairs: Great Britain and Russia, animated by a sincere desire to avoid in China all cause of conflict on questions where their interests meet, and taking into consideration the economic and geographical gravitation of certain parts of the empire, have agreed as follows:—

1. Great Britain engages not to seek for her own account, or on behalf of British subjects, or of others, any railway concession to the North of the Great Wall of China, and not to obstruct, directly or indirectly, applications for railway concessions in that region supported by the Russian Government.

2. Russia, on her part, engages not to seek for her own account, or on behalf of Russian subjects, or of others, any railway concession in the basin of the Yang-tse, and not to obstruct, directly or indirectly, applications for railway concessions in that region supported by the British Government.

The two contracting parties, having no wise in view to infringe in any way the sovereign rights of China on existing treaties, will not fail to communicate to the Chinese Government the present arrangement, which, by averting all cause of complications between them, is of a nature to consolidate peace in the Far East, and to serve primordial interests of China itself.

(*Signed*) CHARLES S. SCOTT.

ST. PETERSBURG, *April* 28th, 1899.

(A copy of the above Note was signed at the same time by the Russian Minister of Foreign Affairs, "duly authorised to that effect.")

(*i.*) THE RUSSO-CHINESE CONVENTION

("*The Times*," *March* 8*th*, 1901)

I. The Emperor of Russia, being desirous to manifest his friendly feelings, agrees to restore Manchuria completely to China, without keeping in mind the fact of the recent warfare in that province. The Chinese administration shall be restored in all respects to the *status quo ante*.

II. China granted to the railway company, as stipulated in Article VI. of the Eastern China Railway Concession, the right of guarding the line with troops; but the country being still in disorder, and the number of troops being insufficient, it has been found necessary to station a body of troops in the province, which will be withdrawn as soon as peace and order are restored, and the provisions of the last four articles of the present convention are carried out.

III. In case of emergency, the Russian troops stationed in the province shall render all possible assistance to China to suppress any disturbances.

IV. The recent attacks against Russia having been conducted principally by regular troops, China agrees not to organise any army before the completion of the railway and the opening thereof for traffic. When China subsequently organises her military forces the number of troops shall be fixed in consultation with Russia. The importation of arms and ammunition into Manchuria is prohibited.

V. In order to safeguard the province China shall immediately dismiss such Governor-General and high local officials as have committed improper acts in connection with foreign relations against which Russia would protest. China can organise infantry and cavalry in Manchuria for police purposes, but the number shall be fixed in consultation with Russia. Artillery should be excluded, and arms given to no subjects of any other Power employed in connection with the exercise of functions.

VI. China, as previously agreed, shall not employ the subjects of any other Power for training her naval and military forces in the northern provinces.

VII. In order to maintain peace and order the local authorities, residing in the vicinity of the neutral zone provided for by the fifth article of the convention relating to the lease of the territory of Liao-tung, shall establish special regulations suitable to the circumstances, and shall relinquish the administrative autonomy of Kin-chau, which is reserved to China by Article IV. of the special convention.

VIII. China shall not grant, without the consent of Russia, to any other Power or their subjects advantages relative to mines, railways, or other matters in the Russo-Chinese Frontier provinces—namely, Manchuria, Mongolia, Kashgar, Yarkand, Khotan, and Turkestan; neither shall she construct her own railways in those provinces without the consent of Russia. Leases of land outside Newchwang shall not be granted to the subjects of any other Power.

IX. China being under obligations to pay the war expenses of Russia and the claims of various other Powers, the amount of Russia's indemnity, and the terms of payment and the security for it, shall be adjusted conjointly with the other Powers.

X. Indemnities shall be paid and compensation granted for the destruction of railway property and to the employés of the company. Losses accruing from delay in the work shall be adjusted between China and the railway company.

XI. When the indemnities for the various damages shall

have been agreed upon between China and the company, the whole or part of the amount of such indemnities should be met by advantages other than pecuniary compensation—that is, either by revision of the existing agreement relating to the railway, or by the grant of new advantages.

XII. China shall, as previously agreed, grant to Russia a concession for the construction of a railway from the main or branch line of the Manchuria Railway towards Pekin and to the Great Wall.

(j) TREATY OF OFFENSIVE AND DEFENSIVE ALLIANCE BETWEEN GREAT BRITAIN AND JAPAN

(*Signed at London, January 30th,* 1902)

The Governments of Great Britain and Japan, actuated solely by a desire to maintain the *status quo* and general peace in the extreme East, being moreover specially interested in maintaining the independence and territorial integrity of the Empire of China and the Empire of Korea, and in securing equal opportunities in those countries for the commerce and industry of all nations, hereby agree as follows :—

Article I. The High Contracting Parties having mutually recognised the independence of China and of Korea, declare themselves to be entirely uninfluenced by any aggressive tendencies in either country. Having in view, however, their special interests, of which those of Great Britain relate principally to China, while Japan, in addition to the interests which she possesses in China, is interested in a peculiar degree politically, as well as commercially and industrially, in Korea, the High Contracting Parties recognise that it will be admissible for either of them to take such measures as may be indispensable in order to safeguard those interests, if threatened either by the aggressive action of any other power, or by disturbances arising in China or Korea, and necessitating the intervention of either of the High Contracting Parties for the protection of the lives and property of its subjects.

Article II. If either Great Britain or Japan, in the defence of their respective interests as above described, should become involved in war with another Power, the other High Contracting Party will maintain a strict neutrality, and use its efforts to prevent other Powers from joining in hostilities against its ally.

Article III. If in the above event any other Power or Powers should join in hostilities against that ally, the other High Contracting Party will come to its assistance and will conduct the war in common, and make peace in mutual agreement with it.

Article IV. The High Contracting Parties agree that neither of them will, without consulting the other, enter into separate arrangements with another Power to the prejudice of the interests above described.

Article V. Whenever, in the opinion either of Great Britain or Japan, the above-mentioned interests are in jeopardy, the two Governments will communicate with each other fully and frankly.

Article VI. The present agreement shall come into effect immediately after the date of its signature, and remain in force for five years from that date.

In case neither of the High Contracting Parties should have notified twelve months before the expiration of the said five years the intention of terminating it, it shall remain binding until the expiration of one year from the day on which either of the High Contracting Parties shall have denounced it. But if, when the date fixed for its expiration arrives, either ally is actually engaged in war, the alliance shall, *ipso facto*, continue, until peace is concluded.

In faith whereof the undersigned, duly authorised by their respective Governments, have signed this agreement, and have affixed thereto their seals.

Done in duplicate at London the 30th January, 1902.

(L.S.) LANSDOWNE.

His Britannic Majesty's Principal Secretary of State for Foreign Affairs.

(L.S.) HAYASHI.

Envoy Extraordinary and Minister Plenipotentiary of His Majesty the Emperor of Japan at the Court of St. James.

(*k*) THE MANCHURIAN CONVENTION

(*"The Times," Weekly Edition, April 18th,* 1902)

Article I. The Emperor of Russia, desirous of giving a new proof of his love of peace and sentiments of friendship for the Emperor of China, notwithstanding that from different points of Manchuria along the frontier first attacks were made against

the peaceful Russian population, consents to the re-establishment of Chinese authority in Manchuria, which remains an integral portion of the Chinese Empire, and restores to China the right to exercise sovereign and administrative powers as before the occupation by Russian troops.

Article II. On resuming possession of sovereign and administrative powers in Manchuria the Chinese Government confirms, both as regards the periods of time as all the other articles, and undertakes strictly to observe the stipulations of the contract with the Russo-Chinese Bank of August 27th, 1896; and in conformity with Article 5 of the said contract guarantees to protect in every way the railway and staff, safeguarding all Russian subjects living in Manchuria, together with the enterprises established by them. Russia, in view of this obligation assumed by China, consents on its part, in the event of there being no trouble whatsoever (*n'y aura pas de trouble quelconque*), and if the conduct of other Powers should not interpose any obstacle thereto, to withdraw gradually all Russian troops from Manchuria as follows: (*a*) Within six months from the signing of the Convention, from the south-western portion of Mukden province as far as the Liao River, at the same time restoring the railway to China; (*b*) during the six months following, from the remaining portion of Mukden province and Kirin province; (*c*) during the six months following Russia will withdraw her troops from the remaining province of Hei-Lung-Kiang.

Article III. To prevent a future repetition of the disturbances of 1900, in which the Chinese troops stationed in the provinces conterminous with Russia took part, the two Governments undertake, so long as the Russian troops are not withdrawn, to instruct their respective military authorities to agree together in order to fix the number and determine the military stations of the Chinese troops in Manchuria. China agrees not to increase the number beyond that arranged, which ought to be sufficient to exterminate the brigands and pacify the country. After complete evacuation by the Russian troops China will have the right to consider whether the number should be increased or diminished, and will duly inform Russia, for it is self-evident that the maintenance of an excessive number of Chinese troops in Manchuria would necessitate an augmentation of the Russian troops in the adjacent districts, causing an increase of military expenditure to the great disadvantage of the two countries. For the service of police and the maintenance of order in the interior outside the territory ceded to the Chinese Eastern Railway Company the provincial military Governors may raise a Chinese

gendarmerie, mounted and foot, exclusively consisting of Chinese subjects.

Article IV. Russia consents to restore the Shan-hai-Kwan-Newchwang-Sin-min-ting Railway, which since the end of September 1900 has been occupied and guarded by Russian troops, provided—

(1) China will undertake the sole responsibility of guarding the railway, and not invite any other Power to undertake or to take part in the defence, construction, or working of the railway, nor permit any foreign Power to occupy the territory restored by Russia.

(2) The above railway shall be completed and worked according to the agreement between Russia and England of April 16th, 1899, and according to the railway contract with a private company of September 28th, 1898, China strictly observing the obligations of the company not to take possession of this railway nor to part with it in any way whatsoever.

(3) If China should seek to extend the railways in South Manchuria, or to construct branch lines, or to build a bridge across the Liao, or to transfer the Shan-hai-Kwan railway-station from its present site, this shall be done after a previous understanding between the two Governments.

(4) In view of the fact that the expense incurred by Russia in the restoration and working of the railway is not included in the indemnity China shall reimburse Russia, the amount to be arranged between the two Governments.

The stipulations of previous treaties are not modified in the present convention, but remain in full force. The present convention shall have legal force from the day of signature, and the ratifications shall be exchanged in St. Petersburg within three months.

The convention is drawn up in Russian, Chinese, and French, the French text being authoritative. It is signed and sealed by M. Lessar, Prince Ching, and Wang Wen-shao.

APPENDIX 3

(a) AGREEMENT BETWEEN THE GOVERNMENTS OF GREAT BRITAIN AND RUSSIA WITH REGARD TO THE SPHERES OF INFLUENCE OF THE TWO COUNTRIES IN THE REGION OF THE PAMIRS, EMBODIED IN AN EXCHANGE OF NOTES BETWEEN THE EARL OF KIMBERLEY AND M. DE STAAL

(*London, March* 11*th*, 1895)

As a result of the negotiations which have taken place between our two Governments in regard to the spheres of influence of Great Britain and Russia in the country to the east of Lake Victoria (Zor Koul), the following points have been agreed upon between us:—

1. The spheres of influence of Great Britain and Russia to the east of Lake Victoria (Zor Koul) shall be divided by a line which, starting from a point on that lake near to its eastern extremity, shall follow the crests of the mountain range running somewhat to the south of the latitude of the lake as far as the Bendersky and Orta-Bel Passes.

From thence the line shall run along the same range while it remains to the south of the latitude of the said lake. On reaching that latitude it shall descend a spur of the range towards Kizil Rabat on the Aksu River, if that locality is found not to be north of the latitude of Lake Victoria, and from thence it shall be prolonged in an easterly direction so as to meet the Chinese frontier.

If it should be found that Kizil Rabat is situated to the north of the latitude of Lake Victoria, the line of demarcation shall be drawn to the nearest convenient point on the Aksu River south of that latitude, and from thence prolonged as aforesaid.

2. The line shall be marked out, and its precise configuration shall be settled by a Joint Commission of a purely technical character, with a military escort not exceeding that which is strictly necessary for its proper protection.

The Commission shall be composed of British and Russian Delegates, with the necessary technical assistance.

Her Britannic Majesty's Government will arrange with the Amir of Afghanistan as to the manner in which His Highness shall be represented on the Commission.

3. The Commission shall also be charged to report any facts which can be ascertained on the spot bearing on the situation of the Chinese frontier, with a view to enable the two Governments to come to an agreement with the Chinese Government

as to the limits of Chinese territory in the vicinity of the line, in such manner as may be found most convenient.

4. Her Britannic Majesty's Government and the Government of His Majesty the Emperor of Russia engage to abstain from exercising any political influence or control, the former to the north, the latter to the south, of the above line of demarcation.

5. Her Britannic Majesty's Government engage that the territory lying within the British sphere of influence between the Hindu-Kush and the line running from the east end of Lake Victoria to the Chinese frontier shall form part of the territory of the Amir of Afghanistan, that it shall not be annexed to Great Britain, and that no military posts or forts shall be established in it.

The execution of this Agreement is contingent upon the evacuation by the Amir of Afghanistan of all the territories now occupied by His Highness on the right bank of the Panjah, and on the evacuation by the Amir of Bokhara of the portion of Darwaz which lies to the south of the Oxus, in regard to which Her Britannic Majesty's Government and the Government of His Majesty the Emperor of Russia have agreed to use their influence respectively with the two Amirs.

(b) AGREEMENT BETWEEN GREAT BRITAIN AND CHINA, MODIFYING THE CONVENTION OF MARCH 1st, 1894, RELATING TO BURMAH AND TIBET

Signed at PEKIN, *February 4th*, 1897, *by* SIR CLAUDE MACDONALD *and the* CHINESE PLENIPOTENTIARY, LI.

In consideration of the Government of Great Britain consenting to waive its objections to the alienation by China, by the Convention with France of the 20th June, 1895, of territory forming a portion of Kiang Hung, in derogation of the provisions of the Convention between Great Britain and China of the 1st March, 1894, it has been agreed between the Governments of Great Britain and China that the following additions and alterations shall be made in the last-named Convention, hereinafter referred to as the original Convention :—

(The first three articles define the modified frontiers, and the most important of the other articles run as follows :—)

Article V. It is agreed that China will not cede to any other nation either Mung Lem or any part of Kiang Hung on the right bank of the Mekong, or any part of Kiang Hung now in her possession on the left bank of that river, without previously coming to an arrangement with Great Britain.

Article IX. Add as follows :—In addition to the Manwyne

and Sansi routes sanctioned by the Convention of 1894, the Governments of Great Britain and China agree that any other routes, the opening of which the Boundary Commissioners may find to be in the interests of trade, shall be sanctioned on the same terms as those mentioned above.

Article XII. Add as follows:—The Chinese Government agrees hereafter to consider whether the conditions of trade justify the construction of railways in Yünnan, and, in the event of their construction, agrees to connect them with the Burmese lines.

Article XIII. Whereas by the original Convention it was agreed that China might appoint a Consul in Burmah, to reside at Rangoon; and that Great Britain might appoint a Consul to reside at Manwyne; and that the Consuls of the two Governments should each within the territories of the other enjoy the same privileges and immunities as the Consuls of the most-favoured nation, and further, that in proportion as the commerce between Burmah and China increased, additional Consuls might be appointed by mutual consent to reside at such places in Burmah and Yünnan as the requirements of trade might seem to demand:

It has now been agreed that the Government of Great Britain may station a Consul at Momein or Shunning-fu, as the Government of Great Britain may prefer, instead of at Manwyne, as stipulated in the original Convention, and also to station a Consul at Ssumao.

British subjects and persons under British protection may establish themselves, and trade at these places, under the same conditions as at the Treaty ports in China.

The Consuls appointed as above shall be on the same footing as regards correspondence and intercourse with Chinese officials as the British Cousuls at the Treaty ports.

(c) THE AMIR'S SPEECH AT THE RAWAL PINDI DURBAR

In 1885 the Amir and Lord Dufferin met at Rawal Pindi, when the Viceroy again confirmed all the assurances previously given to the Amir. At the great Durbar held on April 8th the Amir Abdurrahman spoke as follows:—

"In return for this kindness and favour, I am ready with my arms and people to render any services that may be required of me or of the Afghan nation. As the British Government has declared that it will assist me in repelling any foreign nation, so it is right and proper that Afghanistan should unite in the firmest manner and stand side by side with the British Government." [1]

[1] Cf. Chirol, "Middle Eastern Question," p. 461.

(*d*) AGREEMENT BETWEEN HIS HIGHNESS AMIR ABDUR-RAHMAN KHAN, G.C.S.I., AMIR OF AFGHANISTAN AND ITS DEPENDENCIES, ON THE ONE PART, AND SIR HENRY MORTIMER DURAND, K.C.I.E., C.S.I., FOREIGN SECRETARY TO THE GOVERNMENT OF INDIA, REPRESENTING THE GOVERNMENT OF INDIA, ON THE OTHER PART

Whereas certain questions have arisen regarding the frontier of Afghanistan on the side of India, and whereas both his Highness the Amir and the Government of India are desirous of settling these questions by a friendly understanding, and of fixing the limit of their respective spheres of influence, so that for the future there may be no difference of opinion on the subject between the allied Governments, it is hereby agreed as follows :—

(1) The eastern and southern frontier of his Highness's dominions, from Wakhan to the Persian border, shall follow the line shown in the map attached to this agreement.

(2) The Government of India will at no time exercise interference in the territories lying beyond this line on the side of Afghanistan, and his Highness the Amir will at no time exercise interference in the territories lying beyond this line on the side of India.

(3) The British Government thus agrees to his Highness the Amir retaining Asmar and the valley above it as far as Chanak. His Highness agrees, on the other hand, that he will at no time exercise interference in Swat, Bajaur, or Chitral, including the Arnawai or Bashgal valley. The British Government also agrees to leave to his Highness the Birmal tract as shown in the detailed map already given to his Highness, who relinquishes his claim to the rest of the Waziri country and Dawar. His Highness also relinquishes his claim to Chageh.

(4) The frontier line will hereafter be laid down in detail and demarcated, wherever this may be practicable and desirable, by joint British and Afghan Commissioners, whose object will be to arrive by mutual understanding at a boundary which shall adhere with the greatest possible exactness to the line shown in the map attached to this agreement, having due regard to the existing local rights of villages adjoining the frontier.

(5) With reference to the question of Chaman, the Amir withdraws his objection to the new British Cantonment, and concedes to the British Government the rights purchased by him in the Sirkai Tilerai water. At this part of the frontier the line will be drawn as follows :—

From the crest of the Khwaja Amran range near the Psha Kotal, which remains in British territory, the line will run in such a direction as to leave Murgha Chaman and the Sharobo spring to

Afghanistan, and to pass half-way between the New Chaman fort and the Afghan outpost known locally as Lashkar Dand. The line will then pass half-way between the railway-station and the hill known as the Mian Baldak, and, turning southwards, will rejoin the Khwaja Amran range, leaving the Gwasha post in British territory, and the road to Shorawak to the west and south of Gwasha in Afghanistan. The British Government will not exercise any interference within half a mile of the road.

(6) The above articles of agreement are regarded by the Government of India and his Highness the Amir of Afghanistan as a full and satisfactory settlement of all the principal differences of opinion which have arisen between them in regard to the frontier; and both the Government of India and his Highness the Amir undertake that any differences of detail, such as those which will have to be considered hereafter by the officers appointed to demarcate the boundary line, shall be settled in a friendly spirit, so as to remove for the future as far as possible all causes of doubt and misunderstanding between the two Governments.

(7) Being fully satisfied of his Highness's goodwill to the British Government, and wishing to see Afghanistan independent and strong, the Government of India will raise no objection to the purchase and import by his Highness of munitions of war, and they will themselves grant him some help in this respect. Further, in order to mark their sense of the friendly spirit in which his Highness the Amir has entered into these negotiations, the Government of India undertake to increase by the sum of six lakhs of rupees a year the subsidy of twelve lakhs now granted to his Highness.

H. M. Durand.
Amir Abdurrahman Khan.

Kabul, *November 12th*, 1893.

(*e*) CORRESPONDENCE RELATING TO INTEGRITY OF PERSIA

The Marquis of Salisbury *to* Sir R. Morier.

(*Extract.*) Foreign Office, *February 21st*, 1888.

I have noticed in the extracts from the Russian press which you have forwarded to this office, that there is a tendency to attach importance to Sir H. Drummond Wolff's appointment as Her Majesty's Minister at Teheran, and to look upon it as evidence of an endeavour on the part of Her Majesty's Government to obtain predominant influence in Persia, to the detriment of Russia.

. . . . . .

He (Sir H. Wolff) will be authorised to give the Shah the

strongest assurances of the continued desire of Her Majesty's Government to respect and promote the integrity and independence of Persia, and it would be satisfactory if he could be enabled to state that Her Majesty's Government had ascertained, by an exchange of views with that of Russia, that the agreement arrived at on this subject in 1834 and 1838, and renewed by mutual assurances on several subsequent occasions, remains in full force.

The reply of the Russian Government is recorded in the following despatch:—

THE MARQUIS OF SALISBURY *to* SIR R. MORIER.

(*Extract.*) FOREIGN OFFICE, *March* 12*th*, 1888.

M. de Staal called here this afternoon and read me a despatch from M. de Giers. His Excellency was not authorised to leave a copy of it. The despatch was written in very friendly terms.

After briefly recapitulating the interview which he had with your Excellency, and in which he had stated that he would convey through M. de Staal the definite conclusions of the Russian Government on the several points touched on in the despatch, M. de Giers went on to mention and discuss those points.

In the first place, as regards our desire for an assurance that the engagement between the two Governments to respect and promote the integrity and independence of Persia, is considered by the Russian Government as remaining in full force, M. de Giers states that, although in their opinion, there are no present grounds for apprehending any danger to Persia, and although they have received no communication on the subject from Teheran, yet the Russian Government have no objection to placing again on record that their views on this point are in no way altered. The Persian Government, his Excellency adds, have on more than one occasion had tangible proof of this; and he alludes to a military demonstration made at the request of the Shah in 1880 on the Caucasian frontier, when a portion of the province of Azerbaidjan was suffering from the incursions of bands of Kurds. . . .

I have expressed to M. de Staal, and I request your Excellency to offer M. de Giers, my best thanks for this frank and courteous communication of the views of the Russian Government. It has been highly satisfactory to Her Majesty's Government to learn that those views are so much in accordance with their own; and they owe their acknowledgments to M. de Giers for enabling Sir H. D. Wolff to inaugurate his mission by an assurance to the Shah that the engagements between Great Britain and Russia, to respect and promote the integrity and independence of the Persian kingdom, have again been renewed and confirmed.

(*f*) RUSSO-PERSIAN COMMERCIAL CONVENTION

(*Signed at Teheran on* $\frac{\textit{October 27th,}}{\textit{November 9th,}}$ 1901)

Sa Majesté l'Empereur de toutes les Russies et sa Majesté le Schah de Perse, animés du même désir de faciliter le développement des relations commerciales entre les deux pays voisins et amis, ont jugé opportun de modifier et de compléter les dispositions établies par l'Article III. de l'acte additionnel conclu entre la Russie et la Perse à Tourkmentchai le 10/22 février 1828 et ont nommé à cet effet pour leurs plénipotentiaires, savoir; sa Majesté l'Empereur de toutes les Russies, son Envoyé Extraordinaire et Ministre Plénipotentiaire près la cour de Perse Conseiller privé Argyropoulo et le Conseiller privé Valentin Goloubew, membre du Conseil du Ministre des Finances; et sa Majesté le Schah de Perse, son Premier Ministre, L'Atabek-Azam Mirza Ali Asghar Khan Amin-es-Sultan, et le sieur Joseph Naus, Administrateur Général des Douanes, lesquels dûment autorisés à cet effet sont convenus de ce qui suit:—

Article I. Les marchandises importées en Perse ou exportées de ce Royaume par les sujets russes et pareillement les productions de la Perse importées en Russie soit par la mer Caspienne, soit par la frontière de terre entre les deux États par les sujets persans, de même que les marchandises russes que les sujets persans exporteront de l'Empire par les mêmes voies, seront soumises non plus à la taxation prévue par l'Article III. de l'acte additionnel du 10/22 février 1828 mais à des tarifs détaillés (A B C) qui se trouvent annexés à la présente Déclaration.

Article II. Les marchandises exportées de Russie (voir Article I.) seront soumises au payement des droits de douane conformément au tarif A une fois pour toutes à leur entrée en Perse et ne seront assujetties ensuite au payement d'aucun autre droit de douane ou d'autres charges, sauf celles prévues par l'Article V. de la présente Déclaration.

Les produits persans exportés en Russie (voir Article I.) payeront les droits de douane à leur entrée en Russie conformément au tarif B et ne seront assujettis à aucun droit de sortie ou autre charge à leur exportation de Perse, sauf les exceptions prévues dans les Articles III. et V. de la présente Déclaration.

Toutes les marchandises et objets d'exportation persans non dénommés dans le tarif B seront soumis en Russie au payement des droits d'entrée stipulés par les tarifs applicables aux provenances des nations les plus favorisées, sauf les tarifs établis ou à

établir pour les produits d'exportation de la Chine et d'autres pays asiatiques voisins.

Les règlements édictés ou à édicter pour les produits prohibés à l'importation en Russie et aussi pour les droits de sortie de la Russie seront applicables au trafic persan en Russie.

Article III. Le droit de sortie de 5% existant jusqu'à présent en Perse sur les marchandises et produits exportés est totalement aboli, à l'exception des droits de sortie établis par le tarif C sur les produits y dénommés.

Les marchandises russes et persanes pourront aux conditions du présent arrangement être librement exportées de l'un dans l'autre des deux Etats sous la réserve, bien entendu, des interdictions ou prohibitions déjà établies ou à établir par chacune des deux Hautes Parties Contractantes, soit dans un intérêt de sécurité ou de préservation sociale, soit pour empêcher eventuellement l'exportation de produits du sol qu'il serait momentanément necessaire de réserver afin d'assurer l'alimentation publique.

Article IV. Le Gouvernement persan prend l'engagement de supprimer toutes les taxes de *raghdari* perçues actuellement pour l'entretien des routes et de ne pas permettre l'établissement d'autres taxes de routes ou de barrière ailleurs que sur les voies carrossables comportant des travaux d'art dont la concession a déjà été accordée ou serait accordée par firmans spéciaux. Les taux des taxes à percevoir dans ce cas par les concessionnaires seraient fixés par le Gouvernement persan qui en donnera connaissance à la Légation Imperiale de Russie, ces taxes ne devant pas dépasser par *farsakh* celle de la route Recht-Téhéran ; la perception ne pourrait commencer qu'après l'achèvement de la route ou du moins de ses principaux tronçons entre des localités importantes et ne dépasserait en aucun cas pour les marchandises russes les taux prélevés des marchandises d'une autre provenance.

Article V. Le système de fermage pour la perception des droits de douane en Perse devant être aboli à jamais sera remplacé à toutes les frontières du Royaume par l'institution de bureaux de douane gouvernementale, organisés et administrés de manière à assurer aux commercants l'égalité des perceptions et un bon traitement de leurs marchandises.

Le Gouvernement persan prendra toutes les mesures nécessaires pour assurer d'une manière générale la sécurité des marchandises durant leur séjour dans les bureaux de la Douane et il assume la responsabilité directe de l'intégrité et de la bonne conservation des marchandises qui seront déposées dans les magasins des bureaux de la Douane. En conséquence, le Gouvernement persan s'engage à faire construire, aussitôt que possible et en tout cas pas plus tard que cela est indiqué ci-dessous dans la clause *a* de cet article,

dans les bureaux désignés à cet effet par un règlement prévu ci-apres, des magasins dûment clôturés et assez vastes pour y assurer l'emmagasinage des quantités de marchandises habituellement importées ; dans tous les autres bureaux il devra être établi des installations convenables en rapport avec les besoins du trafic de passage. Les commerçants russes jouiront, dans les conditions fixées par le même règlement, du droit d'entrepôt pendant douze mois à dater du jour de l'arrivée des marchandises sans payer aucuns droits ni taxes pour la mise en entrepôt.

Un règlement général, arrêté par l'Administration des Douanes d'accord avec la Légation de Russie à Téhéran, fixera avant la mise en vigueur de la présente convention :—

(*a*) La classification des bureaux de douane et leurs attributions, les points des frontières de terre et de mer et les chemins ouverts pour l'importation et l'exportation des marchandises, ainsi que l'organisation des magasins des bureaux de la Douane et la fixation des termes indiquant l'inauguration des opérations de ces bureaux et magasins.

(*b*) Les formalités à observer par le commerce pour l'importation et l'exportation des marchandises :—

(*c*) Le régime de l'entrepôt applicable aux marchandises russes pendant douze mois à partir de leur arrivée dans un des bureaux ouverts à ce trafic.

(*d*) Les payements à imposer au commerce pour le séjour des marchandises dans les magasins de la douane ou pour tous autres services rendus par la douane aux commerçants.

(*e*) La procédure douanière concernant la vérification des marchandises frappées de droits specifiques et l'évaluation de celles imposées "ad valorem," ainsi que les amendes applicables au cas de fraude ou de violation des formalités et règles établies.

Pour ce qui concerne la procédure douanière applicable aux marchandises à l'entrée ou à la sortie du territoire russe, les sujets persans seront soumis aux lois édictées ou à édicter par l'Empire, sans que les dispositions de celles-ci puissent de quelque manière que ce soit consacrer à l'égard du commerce des sujets persans des dispositions moins favorables que celles qui sont applicables aux commerçants des pays jouissant du traitement de la nation la plus favorisée.

Article VI. L'acquittement des droits d'entrée en Russie d'après le tarif B annexé à la présente Déclaration sera effectué en monnaies admises pour le payement des taxes douanières dans tout l'Empire, calculé sur la base du poud equivalént à 40 livres russes, à 16.38 kilogrammes français, à 5.5 batmans de Tauris de 640 miskals persans. Pour l'application des tarifs A et C le batman persan dit de Tauris sera calculé à 640 miskals persans

équivalent à 7.27 livres russes et à 2.97 kilogrammes français, et les 100 krans persans seront calculés à 18 roubles russes ou 48 francs français en monnaie d'or.

Dans le cas ou le change du kran par rapport au rouble russe viendrait à baisser de plus de 10% et se maintiendrait tel plus d'un mois, le Gouvernement persan aurait la faculté, après la constatation du fait par les principales banques et notification préalable à Legation Impériale de Russie, de hausser proportionnellement les taux des droits spécifiques inscrits dans les tarifs A et C. La notification relativement à l'élévation des droits devra être faite par le Gouvernement persan à la Legation de Russie à Téhéran au moins deux semaines avant que cette élévation soit appliquée.

Pour le cas d'une hausse dans le cours du kran dépassant 10% et se maintenant tel durant plus d'un mois, l'initiative de l'abaissement proportionnel des tarifs A et C appartiendrait au Gouvernement Impérial de Russie et le Gouvernement persan serait tenu d'accorder le dit abaissement.

Article VII. Le Gouvernement persan s'engage à appliquer à toutes les frontières du Royaume les dispositions de la présente Déclaration ainsi que les tarifs A et C avec les modifications prévues par l'Article VI.

La présente Déclaration, dont, en cas de contestation, le texte français prévaudra, sera ratifiée et les ratifications en seront échangées à Téhéran, après quoi elle sera promulguée par les deux Hauts Gouvernements et entrera en vigueur à la date qui sera fixée d'un commun accord le jour de l'échange des ratifications.

Fait double, en français et en persan, le 27 octobre de l'an 1901, et le 26 Redjeb 1319 de l'Hégire, à Téhéran.

(*signé*) ARGYROPOULO (L.S.)
(*signé*) GOLOUBEW (L.S.)

(*signé*) ATABEK-AZAM (L.S.)
(*signé*) MOUCHIR-OUD-DOVLEH (L.S.)
(*signé*) NAUS (L.S.)

The three tariffs A B and C annexed to this Convention bear the same date.

PROTOCOLE

Nous soussignés nous étant réunis ce samedi le 13 décembre 1902 (le 12 Ramazan 1320) avons procédé à l'échange des exemplaires de la Déclaration, signée à Téhéran le 27 octobre/9 novembre 1901 (le 26 Redjeb 1319 de l'Hégire) ratifiée par Leurs Majestés l'Empereur de Russie et le Schah de Perse et avons, conformément aux dispositions prévues par l'Article VII. de la dite

Déclaration, fixé la date du 1/14 février 1903 pour son entrée en vigueur.

En foi de quoi le présent protocole a été dressé en deux exemplaires et signé par nous.

(*signé*) ATABEK-AZAM. (L.S.) (*Signé*) P. WLASSOW.

(*g*) OF THE COMMERCIAL TREATY BETWEEN GERMANY AND PERSIA

Signed at BERLIN *on June 6th*, 1873, *by* PRINCE BISMARCK *and* MIRZA HUSSEIN KHAN

Article XVIII. En cas de guerre de l'une des puissances contractantes avec une autre puissance, il ne sera porté, pour cette seule cause, atteinte, préjudice ou altération à la bonne intelligence et à l'amitié sincère qui doivent exister à jamais entre les hautes parties contractantes. Pour le cas où la Perse serait impliquée dans un différend avec une autre puissance, le Gouvernement impérial allemand se déclare prêt à employer, sur la demande du Gouvernement de S.M.I. le Schah, ses bons offices pour contribuer à aplanir le différend.

(*h*) RUSSO-PERSIAN TRADE STATISTICS

Table, showing gradual increase of Russo-Persian trade during the last ten years, together with averages for each five years.

Year.	RUSSIAN EXPORTS TO PERSIA. Roubles.	RUSSIAN IMPORTS FROM PERSIA. Roubles.
1890	10,900,000	10,800,000
1891	10,000,000	9,800,000
1892	9,300,000	11,300,000
1893	11,900,000	13,900,000
1894	12,200,000	11,300,000
Average : 1890-94	10,900,000	11,400,000
1895	14,200,000	19,000,000
1896	14,500,000	17,500,000
1897	16,000,000	18,600,000
1898	17,000,000	21,600,000
1899	17,900,000	21,700,000
Average : 1895-99	15,900,000	19,700,000
1900	20,600,000	20,400,000

The average value of the Russian paper rouble in 1890 was 2*s*. 4*d*. It fell in 1891 to 2*s*. 1*d*. and in 1892 to 2*s*. It rose again in 1893 to 2*s*. 1*d*., and since M. de Witte took the first steps to establish a gold currency in 1894 it has varied very little. In official calculations 9.47 roubles are now taken regularly as equal to the pound sterling.

The following tables of Russian trade with Persia in 1900 have been compiled from the best available sources. No later statistics giving details of imports and exports have yet been published.

Russian Exports to Persia.	Roubles.
Wheat	89,000
Barley	81,000
Wheaten flour	1,064,000
Salt, refined	51,000
Sugar	8,784,000
Tea	477,000
Vodka	30,000
Hemp yarn	10,000
Raw silk	19,000
Silk yarn	25,000
Cotton yarn	8,000
Iron	201,000
Steel	41,000
Crude naphtha	56,000
Kerosene	485,000
Naphtha residue	23,000
Colours and colouring matters	31,000
Horses	62,000
China	30,000
Pottery	176,000
Glassware	408,000
Mirrors	11,000
Tinsel wares	39,000
Copper ,,	156,000
Iron wares	213,000
Steel ,,	6,000
Wooden wares	92,000
Paper	95,000
Ropes and cables	27,000
Linen, fine and coarse	190,000
Silk material	43,000
Woollen	20,000
Cloth	41,000
Cotton fabrics	5,275,000
Stearine candles	107,000
Matches	82,000
	Rs. 20,649,000

Russian Imports from Persia.	Roubles.
Grain	119,000
Wheat	53,000
Rice	1,480,000
Fresh Fruits	30,000
Oranges and lemons	128,000
Black plums	29,000
Dried fruits	4,045,000
Nuts	1,601,000
Cut tobacco	26,000
Hydromel (mead)	40,000
Butter	27,000
Pickled fish and caviare	299,000
Salt fish	666,000
Domestic cattle	313,000
Hides, leather, and skins	1,382,000
Timber	347,000
Peat and charcoal	114,000
Colours and colouring matters	182,000
Cotton, raw	4,592,000
Silk, raw, and cocoons	59,000
Wool, uncombed	288,000
Cotton yarn	32,000
Cotton fabrics	420,000
Silk stuff and manufactures	792,000
Woollen materials, carpets	903,000
	Rs. 20,413,000

In the original sources all above figures are given in thousands

of roubles, so that the adding up of the items does not always agree with the "totals" which are given in full.

It will be noticed that the principal export from Russia to Persia is sugar, which has increased enormously of late years, owing chiefly, of course, to the return of the excise duty (bounty) on exported sugar.

Next come cotton fabrics, upon which the duty paid on the materials used in the manufacture of these goods—namely, on the imported cotton and dyes for prints—is also returned to the exporters at rates from 4.65 roubles to 6.40 roubles per pood of 36 lb. Russia herself grows only about a third of the cotton she requires.

Down to 1880 the overturn of Russo-Persian trade, that is to say, the exports and imports taken together, for many years did not amount to more than five to six million roubles per annum, whereas it now reaches about forty million roubles.

It is interesting to note that, besides the part which English technical skill, employed so largely in the management of nearly all Russian cotton mills, has played in the development of the export of Russian cotton goods to Persia, the largest English woollen and cloth mill in Russia, owned entirely by Englishmen, has now joined with a number of large Russian firms in establishing a wholesale depot for the sale of their manufactures at Teheran.

Three of the Russian transport companies of St. Petersburg have arranged to co-operate in establishing agencies at the Persian ports and in the towns of the interior—at New Ardebin, Urmi, Morag, Teheran, Resht, Astara, Djulfa, and Tabriz.

The chief Russo-Persian trade routes are:

Trans-Caucasus: Shahtakhta-Djulfa-Tabriz.
Caspian: Astara-Ardebil-Tabriz.
" Enzeli-Resht-Teheran.
Trans-Caspian: Askabad-Dushak-Meshed-Subsivar.

Last year (1902) the new Russian road to Teheran from Resht on the Caspian was used to the extent of 3,948,000 poods of exports to Persia and 2,641,000 poods of imports from Persia (63,677 tons and 42,612 tons respectively). The value of these goods is unfortunately not given.[1]

[1] Chirol, "Middle Eastern Question," p. 445.

APPENDIX 4

SPECIMEN OF THE REGULATIONS CONCERNING FOREIGN JOINT STOCK COMPANIES OPERATING IN RUSSIA

CONDITIONS which the English Joint Stock Company, under the name of "The South Russian Oil Company, Limited," is permitted to carry on its operations in Russia:

1. The English Joint Stock Company, under the name of "The South Russian Oil Company, Limited," begins its operations in Russia by working the lot of oil-bearing land acquired by the said company from N. W. Schmelling, situated in the Kizlar district of the Terek Territory, and occupying an area of 30 dessiatins, 1261 square sagenes (84 acres).

2. The Company is subject to the laws and regulations in force in Russia and bearing upon the object of the Company's operations, and it is likewise subject to the regulations laid down in the Law of the Imperial Tax on Industry and Trade (*Gazette of Laws*, 1898, No. 76, Article 964), as well as any laws and regulations that may hereafter be passed.

3. The acquisition by the Company of any real estate in Russia, either by purchase or hire, is to be made in accordance with the general laws in force in the empire, and with the Imperial decree of March 14th, 1887, in particular. Moreover, real estate may be acquired solely for the requirements of the undertaking, after the local authorities of the province (or territory) have certified that the acquisition of such property is really necessary.

The acquisition by the Company, on any terms whatever, of oil-bearing land in the Caucasus, over and above that acquired by the Company under Article 1, as well as any prospecting or obtaining of lots for working oil in the above-mentioned territory, is permitted only on condition of observing the regulations contained in note 1, Article 547, and note 2, Article 544, volume vii. of the Mining Code, edition of 1895.

4. The real estate and movable property of the Company within the limits of the [Russian] empire, as well as all sums due to the Company, are to be used primarily to meet the claims rising out of the operations of the Company in Russia.

5. A special responsible agency is to be established in Russia, for the management of the Company's business. This agency is to be fully empowered (a) to carry on all the general operations of the Company, including the right and duty of being defendant in any law suit that may arise in Russia in connection with the Company; and (b) in particular, to decide immediately and independently, in the name of the Company, all cases when claims against the Company are brought either by the Russian Government or by private persons, whether the latter be unconnected with the Company, or in its service, operatives included. The Company is obliged to give notice of the address of this agency to the Minister of Finance, the Minister of Agriculture and State Domains, the civil governor of the Caucasus, and the provincial (or territorial) authorities of the place where the real estate of the Company is situated; moreover, the Company must advertise the address, for general information, in the "official magazines," the *Gazette of Finance, Industry, and Commerce*, in the official gazettes of St. Petersburg and Moscow, and in the local provincial gazette, with the observance of existing regulations in reference to such advertisements.

All the book-keeping of the Company in connection with its operations in Russia is to be centred in the above-mentioned agency.

6. In the appointment of managers of oil-fields and managers of the Company's affairs, the Company is obliged to follow the regulations laid down in Article 547 (note 1) and supplement to Article 544 (note 2) of volume vii. of the Mining Code, edition of 1895.

7. Under Articles 102–4, 107 and 110 of the Imperial Tax on Industry Law (*Gazette of Laws*, 1898, No. 76, Article 964), the responsible agents of the Company are obliged (a) within two months after the confirmation of the Annual Report by the general meeting, to file two copies at the Ministry of Finance (Department of Manufactures and Trade), and four copies at the local office of the Exchequer in the province where the agency has its offices—of the full reports and balance-sheets, both of the Company's operations in general and of its operations in Russia in particular, and likewise a copy of the protocol of the confirmation of the reports; (b) to publish in the *Gazette of Finance* the closing balance-sheet and summary of the annual return of the Company, showing in the summary of the operations carried on in Russia the amount of foundation capital for such operations, the reserve, etc., the profit and loss account for the last financial year, and the amount of net profit on the aforesaid

operations; (*c*) to give the local office of the Exchequer or its manager any supplementary information that may be required and any explanations that may be necessary for the auditing of the returns, being responsible for non-observance of the requirements of this (7) article under Articles 104 and 164 of the Imperial Industrial Tax Law; and (*d*) in the cases mentioned in Article 110 of the aforesaid law, to submit to the demands of the local Exchequer office in regard to the examination and verification, with the object of ascertaining the net profit, of books and documents, as well as the premises of the Company.

8. The time and place of the general meetings are to be announced in the publications mentioned in Article 5 at least a month before the date of the meeting, and such announcements are to contain an explanation of the subjects to be discussed, and the name and address of the bank in Russia where the shares of the Company must be presented in order to obtain the right of taking part in the general meeting.

9. Any disputes that may arise between the Company and Government institutions or private persons, in regard to the operations of the Company in the empire, are to be settled according to the laws in force in Russia by a Russian court of law.

10. The operations of the Company in Russia are exclusively restricted to the objects mentioned in Article 1 of these conditions, and for the amalgamation or union with other similar companies or undertakings, as well as for any alteration or supplementing of the statutes (in particular, the increase or decrease of capital and the issue of debentures), the Company is first obliged to obtain the sanction of the Ministry of Finance, of Agriculture and State Domains in Russia; in case of liquidation the Company must inform the same ministries.

11. In regard to the cessation of its operations in Russia, the Company is obliged to submit to the laws and Government regulations now in force or which may hereafter be enacted.[1]

[1] Cf. Beveridge, "Advance of Russia," pp. 483-6.

APPENDIX 5

THE RUSSIAN SOCIAL DEMOCRATIC PARTY

"*Times*," *December 14th*, 1903

A SECRET congress of the Russian Social Democratic party was held recently and attended by more than fifty delegates sent by the secret local committees established in St. Petersburg, Moscow, Kieff, Odessa, Kharkoff, Ekaterinoslaff, Rostoff, the Caucasus, and other parts of Russia, as well as by the Jewish Social Democratic Labour League and the various committees of the Russian Social Democratic party working outside Russia. The chief business of the congress was the election of a central executive committee with wide powers for directing the Social Democratic movement throughout Russia as a whole. Hitherto no such central authority has existed, and the separate local committees have worked practically independently of one another. The congress also adopted a party programme and confirmed the journal *Iskra*, which has appeared regularly since December 1900, in its position as the official organ of the party.

The programme, after stating the principles of Social Democracy as taught by Marx, declares that the immediate political objects of the party are the abolition of autocracy and the establishment of a democratic republic in its place, whose constitution shall ensure the sovereignty of a Parliament elected by universal adult suffrage; the institution of local self-government; the inviolability of person and domicile; the perfect freedom of religion, of the press, of meeting, and of workmen to combine; the abolition of the passport system; the removal of all restrictions on trade; the abolition of the ranks or castes (instituted by Peter the Great); the establishment of equal rights for all citizens, whatever may be their sex, religion, race, or nationality; the use in the schools of the mother tongue of the pupils and the permission to use the local dialects in all State institutions; the right of non-Russian nationalities to sever their political connection with Russia if they so wish; the right of every citizen to prosecute any official in the ordinary courts of law; the disestablishment of the Orthodox Church; the institution of secular and free education; the abolition of all indirect taxation and the introduction of a graduated income-tax and succession duties; the

substitution of the militia system for obligatory military service, and so forth.

For the special protection of the working-classes the party demands the eight-hours' day; the prohibition of overtime and of the employment of children under sixteen years of age; compensation to workmen for injuries; old age pensions; effective factory inspection, etc. For the peasants the party demands the abolition of all survivals of the state of serfdom, for which purpose committees of peasants should be appointed, the institution of land courts, etc.

The party pledges itself to support the middle-class movement in favour of constitutional reform as long as it has a democratic character and does not include a demand for special middle-class privileges. On the other hand, the party rejects the methods of terrorism, not, it may be remarked, on any moral grounds, but as calculated to disorganise the Social Democratic movement by inspiring the working masses with an expectant faith in the miraculous effects of isolated individual action.

APPENDIX 6

TREATY BETWEEN GREAT BRITAIN, FRANCE, SWEDEN AND NORWAY

Signed at Stockholm, November 17th, 1855

HER Majesty the Queen of the United Kingdom of Great Britain and Ireland, His Majesty the Emperor of the French, and His Majesty the King of Sweden and Norway, being anxious to avert any complication which might disturb the existing balance of power in Europe, have resolved to come to an understanding with a view to secure the integrity of the United Kingdoms of Sweden and Norway, and have named Plenipotentiaries to conclude a Treaty for that purpose.

Article I. His Majesty the King of Sweden and Norway engages not to cede to nor to exchange with Russia nor to permit her to occupy any part of the territories belonging to the Crowns of Sweden and Norway. His Majesty the King of Sweden and Norway engages, further, not to cede to Russia any right of pasturage, of fishery, or of any other nature whatsoever,

either on the said territories or upon the coasts of Sweden and Norway, and to resist any pretension which may be put forward by Russia with a view to establish the existence of any of the rights aforesaid.

Article II. In case Russia should make to His Majesty the King of Sweden and Norway any proposal or demand having for its object to obtain either the cession or the exchange of any part whatsoever of the territories belonging to the Crowns of Sweden and Norway, or the power of occupying certain points of the said territories, or the cession of rights of fishery, of pasturage, or of any other right upon the said territories and upon the coasts of Sweden and Norway, His Majesty the King of Sweden and Norway engages forthwith to communicate such proposal or demand to Her Britannic Majesty and His Majesty the Emperor of the French; and their said Majesties, on their part, engage to furnish to His Majesty the King of Sweden and Norway sufficient naval and military forces to co-operate with the naval and military forces of His said Majesty, for the purpose of resisting the pretensions or aggressions of Russia. The description, number, and destination of such forces shall, if occasion should arise, be determined by common agreement between the three Powers.

APPENDIX 7

BUDGET FOR 1904

The Report upon the Budget for 1904 was presented by the Assistant Minister of Finance, M. de Pleske, the Minister, being absent through ill-health. Both receipts and expenditure show a considerable increase upon the previous year, in the case of the receipts of 83,000,000 roubles, and in that of ordinary expenditure of 86,000,000 roubles. The estimated increase in the receipts is due chiefly to the increases expected in the returns from the State railways (34,700,000 roubles), and the spirit monopoly (25,500,000 roubles). An increase of over 12,000,000 roubles is also expected from the customs duties.

The Report gives a favourable account of financial and economic conditions during 1903, due chiefly to a second good harvest—as shown in the following table:—

PRODUCTIONS (GROSS) OF CEREALS (INCLUDING PULSE).

Annual average.	Millions of quintals m.	Population.	Kilogrammes per head.
1898-1902	574·77	120·29	477·8
1902	672·89	123·76	543·7
1903	642·59	125·49	512·1

The course of foreign trade was still more favourable than it had been in 1902, and showed a great advance upon former years. This is shown in the following table :—

IMPORTS AND EXPORTS BY THE RUSSIAN FRONTIER.

Year.	Value of exports.	Value of imports.	Excess of exports over imports.
	(In millions of roubles.)		
1892-1896 (av.)	571	436	135
1897-1901 ,,	648	522	126
1902	783	483	300
1903	902	540	362

Some improvement is also mentioned in the trades which have suffered from depression during the past four years, particularly in the coal and metal trades. Moreover, the stock of gold in the country was considerably augmented during 1903. At the end of 1902 the gold in the Bank of Russia and the Treasury amounted to 927,500,000 roubles, and that in circulation to 737,300,000 roubles, whilst at the end of 1903 the stocks of gold in the Bank and the Treasury amounted to 1,058,500,000, and the gold in circulation to 787,000,000.

On the other hand it must be noticed that the estimated expenditure has increased more rapidly than the estimated revenue, so that over 195,000,000 roubles have to be taken from the inexhaustible "free balance" of the Treasury for 1904, as compared with over 172,000,000 roubles in 1903.

The points upon which special attention is directed in the Report are the measures taken for the extension and improvement of the roads in Russia, at the express desire of the Tsar; the freeing of the peasants from the corporate responsibility of the village community for taxes, as announced in the Tsar's Manifesto; and the new law for regulating employers' liability and compensation for accidents.

REVENUE

ORDINARY.	1904. Roubles.
1. Direct taxes	135,138,477
2. Indirect taxes	421,157,100
3. Duties (stamp, transfer, passport, etc.)	103,581,232
4. State monopolies (including sale of spirits)	589,851,300
5. State domains and capital (including railways)	560,953,841
6. Sale of domains	535,573
7. Redemption of land	86,164,300
8. Indemnification of Treasury expenditure	76,231,206
9. Various	6,481,464
Total Ordinary Revenue	1,980,094,493
EXTRAORDINARY.	
Perpetual deposits in the Bank of Russia	2,750,000
From the free balance of the Treasury	195,792,562
Total Extraordinary Revenue	198,542,562
Total Revenue	2,178,637,055

EXPENDITURE

		1904. Roubles.
ORDINARY.		
1.	State debt	289,299,183
2.	Higher institutions of State	3,529,111
3.	Holy Synod	29,331,890
4.	Ministry of Imperial House	16,127,920
5.	,, ,, Foreign Affairs	6,417,790
6.	,, ,, War	360,758,092
7.	,, ,, Navy	113,622,426
8.	,, ,, Finance	372,122,649
9.	,, ,, Agriculture and State Domains	49,829,102
10.	,, ,, Interior	114,727,078
11.	,, ,, Public Instruction	43,677,451
12.	,, ,, Ways of Communication	473,274,611
13.	Department of Mercantile Marine and Ports	16,547,466
14.	Ministry of Justice	51,082,938
15.	States Control	8,993,809
16.	Management of State Studs	2,116,735
17.	Provisions for possible increase in prices of stores, etc.	3,000,000
18.	Unforeseen expenditure in course of year	12,000,000
	Total Ordinary Expenditure	1,966,458,251
EXTRAORDINARY.		
	Construction of Siberian Railway	17,150,965
	Enterprises in connection with Siberian Railway	4,412,114
	Construction of other railways	125,635,725
	Loans to private Companies for making railways	62,980,000
	Compensation to individuals or institutions for abolition of spirit distilling licences	2,000,000
	Total Extraordinary Expenditure	212,178,804
	Total Expenditure	2,178,637,055

APPENDIX

(A)

Value of Exports from the United Kingdom of Articles Manufactured, and Drink and Tobacco), and the Total Value of the Exports of all during each of the Years 1890 to 1902.

[*Extracted from the " Annual Statement*

TO

Articles.	1890.	1891.	1892.	1893.	1894.	1895.	1896.
	£	£	£	£	£	£	£
Arms, ammunition, etc.	17,117	15,052	95,132	6,451	27,592	11,617	10,181
Bags and sacks, empty	20,716	9,115	5,331	6,962	5,045	9,642	9,305
Bricks [1]	—	—	22,040	34,366	22,947	35,822	50,700
Caoutchouc, manufactures of	22,570	21,827	25,558	25,642	29,125	21,277	33,053
Carriages and waggons (including railway rolling-stock & cycles):							
Railway carriages of all sorts, and parts thereof.	21,691	13,187	1,394	4,190	8,262	7,163	13,976
Cycles, and parts thereof [1]	—	—	25,018	50,531	93,846	117,558	84,168
Cement	15,745	9,142	8,213	9,697	11,170	3,347	7,649
Chemical products & preparations	313,563	303,637	282,819	339,562	282,646	216,831	229,217
Coal, products of (except dyes)	32,521	31,947	42,533	48,996	45,289	63,579	68,008
Cotton: Yarn	247,390	141,565	82,296	70,258	126,807	118,678	115,294
Manufactures	462,607	403,012	268,025	312,564	269,298	217,578	244,852
Earthen and china ware	13,275	13,374	16,113	16,366	24,958	24,293	37,050
Electric lighting apparatus	11,264	5,315	3,647	8,519	20,117	20,672	13,186
Flax & hemp, dressed & undressed	—	—	—	—	40	4,501	218
Glass, and manufactures thereof	7,263	7,081	4,983	4,777	5,668	7,140	5,152
Grease, tallow, and animal fat	2,717	8,581	11,785	30,591	31,180	15,161	30,936
Hardware and cutlery	49,202	45,130	36,551	45,624	54,879	42,207	57,095
Implements and tools	103,629	94,579	88,999	104,183	135,120	125,703	151,727
Instruments and apparatus	4,512	6,195	8,868	7,745	10,272	8,290	10,676
Jute manufactures: Piece goods	11,977	9,717	8,483	7,262	9,782	10,147	15,635
Leather, and manufactures thereof	12,868	10,793	12,940	21,949	24,890	37,073	32,086
Linen manufactures	33,140	36,067	30,270	29,963	26,952	28,812	27,162
Machinery and millwork:							
Sewing machines	65,233	37,768	63,671	105,915	114,177	141,418	136,625
Steam engines	157,061	154,103	287,217	542,765	521,308	296,504	355,641
All other sorts	954,578	988,525	876,894	1,083,390	1,370,213	1,642,372	1,440,687
Manure	99,287	69,937	86,918	92,327	87,643	67,707	61,594
Metals, and manufactures thereof:							
Iron and steel: Tinplates	331,677	456,304	354,293	375,507	282,615	338,900	226,557
Other iron and steel	613,775	529,164	564,525	730,482	787,558	817,419	980,913
Copper	102,077	109,986	169,780	157,565	101,693	167,913	166,058
All other metals	275,887	232,667	287,373	309,025	264,968	243,671	320,445
Oil and floor cloth	7,292	4,805	4,306	6,525	7,169	10,695	11,064
Oils	3,760	3,300	3,610	2,148	3,476	5,613	10,066
Painters' colours and materials	51,278	39,974	38,913	46,879	42,382	49,924	47,784
Paper of all sorts	6,306	4,556	4,876	6,265	6,127	7,712	8,105
Stationery, other than paper	12,309	11,116	11,630	11,280	17,323	16,557	20,008
Stones & slates: Grindstones, etc.	9,306	8,223	9,258	11,819	11,639	11,642	15,194
Telegraphic wires and apparatus	5,011	15,916	29,032	13,849	7,380	7,278	10,995
Wood, manufactures of	5,039	5,405	4,128	7,340	8,169	5,229	8,090
Wool:							
Flocks, noils, waste, & combed	118,101	88,840	60,726	126,223	170,176	265,391	280,293
Woollen and worsted yarn	147,783	116,513	114,594	156,945	222,459	221,700	262,731
Yarn, alpaca, mohair & other sorts	37,291	43,728	41,662	63,763	61,579	59,529	96,784
Woollen and worsted manufactures	46,768	57,673	42,409	58,296	65,446	68,107	83,052
Other articles [2]	195,442	182,694	178,076	200,262	213,005	214,624	233,340
Parcel Post	—	—	—	—	6	19	53
Total m'n'f'ctures (except ships)	4,649,028	4,346,513	4,315,889	5,294,768	5,632,396	5,807,015	6,023,405
Total exports of British produce (except ships).	5,751,601	5,407,402	5,357,081	6,372,340	6,884,574	7,004,584	7,185,185
Ships 3	—	—	—	—	—	—	—

[1] Not separately shown in the original trade returns prior to 1892.

EXPORTS.

or Partly Manufactured, in the UNITED KINGDOM (excluding Articles of Food
ARTICLES of BRITISH PRODUCTION to the undermentioned FOREIGN COUNTRY

of Trade of the United Kingdom."]
RUSSIA

1897.	1898.	1899.	1900.	1901.	1902.	ARTICLES.
£	£	£	£	£	£	
69,343	12,037	15,308	9,669	13,701	14,358	Arms, ammunition, etc.
11,127	11,824	13,536	16,767	8,314	7,626	Bags and sacks, empty.
54,607	55,112	81,399	40,618	26,188	15,974	Bricks.[1]
49,069	44,184	48,392	44,584	35,283	28,557	Caoutchouc, manufactures of.
						Carriages and waggons (including railway rolling-stock and cycles):
12,264	29,729	42,418	46,944	6,197	488	Railway carriages of all sorts, and parts thereof.
57,530	68,282	37,937	22,965	14,790	15,619	Cycles, and parts thereof.[1]
8,240	10,741	6,608	1,775	1,768	303	Cement.
230,186	206,854	187,595	202,865	190,212	166,913	Chemical products and preparations.
78,854	85,152	86,234	98,318	83,570	71,728	Coal, products of (except dyes).
123,078	128,426	151,711	94,941	119,738	104,062	Cotton: Yarn.
269,210	238,782	241,814	204,320	212,555	214,947	Manufactures.
54,379	53,992	67,412	62,169	43,968	38,448	Earthen and china ware.
23,844	68,237	58,494	11,131	6,141	6,265	Electric lighting apparatus.
1,199	3,716	6,957	2,899	6,004	9,146	Flax and hemp, dressed & undressed.
6,977	9,523	9,354	7,034	7,549	6,305	Glass, and manufactures thereof.
21,543	74,681	64,824	55,915	94,360	45,640	Grease, tallow, and animal fat.
62,644	82,304	75,517	60,199	58,132	51,127	Hardware and cutlery.
156,646	166,990	199,517	190,002	175,902	152,870	Implements and tools.
10,613	13,655	13,761	13,915	16,073	28,118	Instruments and apparatus.
11,674	16,411	22,170	21,007	13,477	17,084	Jute manufactures: Piece goods.
40,977	36,062	49,334	40,764	40,325	33,327	Leather, and manufactures thereof.
31,986	29,056	29,357	35,279	31,421	23,356	Linen manufactures.
						Machinery and millwork:
197,685	229,101	330,831	386,502	479,746	660,847	Sewing machines.
248,913	357,544	448,789	379,830	269,303	282,776	Steam engines.
1,319,919	2,257,916	2,805,047	2,007,034	1,084,947	979,626	All other sorts.
66,255	88,971	107,731	90,830	97,040	112,834	Manure.
						Metals, and manufactures thereof:
341,838	306,066	342,499	431,207	397,868	432,378	Iron and steel: Tinplates.
1,179,047	1,220,046	1,325,470	754,267	678,108	700,522	Other iron and steel.
138,892	130,865	226,461	171,299	237,066	138,481	Copper.
283,441	320,336	329,972	357,451	283,822	243,745	All other metals.
17,615	24,089	21,767	23,168	23,088	19,907	Oil and floor cloth.
8,998	11,836	13,060	14,044	30,817	30,893	Oils.
43,927	59,342	46,160	44,287	47,991	38,613	Painters' colours and materials.
8,691	11,203	11,840	14,380	11,337	9,685	Paper of all sorts.
16,745	22,366	27,302	21,688	20,128	18,797	Stationery, other than paper.
14,345	15,381	17,006	19,131	21,835	20,065	Stones and slates: Grindstones, etc.
9,825	8,393	13,751	8,486	8,528	11,645	Telegraphic wires and apparatus.
4,301	12,444	29,658	38,753	21,390	10,414	Wood, manufactures of.
						Wool:
355,238	406,292	343,841	473,641	489,264	599,226	Flocks, noils, waste, and combed.
259,172	280,382	319,252	308,805	368,049	271,686	Woollen and worsted yarn.
121,862	115,515	154,895	163,484	200,759	190,715	Yarn, alpaca, mohair and other sorts
83,127	104,051	112,684	116,329	118,381	100,139	Woollen and worsted manufactures.
205,440	248,921	232,293	219,769	238,176	239,883	Other articles.[2]
623	4,075	26,877	37,029	42,896	43,647	Parcel Post.
6,311,889	7,680,835	8,796,835	7,365,494	6,376,207	6,208,785	Total manufactures (except ships).
7,513,165	9,227,968	11,115,483	10,685,226	8,426,894	8,136,524	Total exports of British produce (except ships).
—	—	604,850	316,074	246,440	498,869	Ships.[3]

[2] Under this heading a certain amount of unenumerated goods, other than manufactures, is unavoidably included.
[3] Not recorded prior to 1899.

(B)

VALUE of the IMPORTS into the UNITED KINGDOM of ARTICLES
Drink and Tobacco), and the TOTAL VALUE of the IMPORTS of all
of the YEARS 1890 to 1902.

[*Extracted from the "Annual Statement*

FROM

ARTICLES.	1890.	1891.	1892.	1893.	1894.	1895.	1896.
	£	£	£	£	£	£	£
Caoutchouc, manufactures of.	Not stated	Not stated	4,241	1,613	10,295	15,639	14,860
Cordage and twine	67,293	55,143	43,343	33,736	60,633	54,918	58,367
Drugs of all sorts	6,761	20,723	11,040	9,374	5,523	4,347	11,227
Flax, dressed or undressed.	1,566,759	1,362,468	1,440,476	1,429,457	1,690,786	1,965,946	1,592,061
Flax tow	154,093	137,305	152,039	133,682	169,381	188,329	229,442
Hemp, dressed or undressed.	252,712	185,103	174,790	200,256	213,799	277,805	226,837
Hemp tow	28,892	28,427	42,111	21,546	34,317	38,520	46,322
Leather	36,489	28,982	38,303	24,404	34,447	29,899	31,030
Linen yarn	Not stated	873	Not stated	Not stated	Not stated	Not stated	Not stated
,, manufactures	23,090	8,634	24,349	14,484	15,162	20,014	24,994
Oil-seed cake	183,717	291,826	320,603	355,843	423,139	402,436	305,615
Oils	10,796	12,561	11,685	6,847	8,294	7,749	11,387
Painters' colours and pigments.	1,050	3,007	3,711	1,339	5,879	5,150	10,256
Paper, unprinted							
,, wood pulp board	20,977	43,177	92,970	86,080	93,275	78,446	73,740
,, of all other sorts							
Quicksilver	Not stated	4,000	6,730	—	—	11,508	9,963
Wood, manufactures of: House frames and joiners' work.	2,458	3,519	8,039	9,289	9,473	7,129	6,250
Woollen manufactures	Not stated	Not stated	Not stated	179	38	170	9,806
Other articles[1]	423,134	367,873	396,197	154,513	155,886	134,588	139,420
Total Manufactures	2,778,239	2,563,654	2,770,627	2,482,592	2,930,327	3,242,593	2,801,597
Total Imports	23,750,868	24,110,251	15,122,677	18,574,565	23,598,748	24,736,919	22,677,443

Under this head a certain amount of unenumerated goods,

IMPORTS

Manufactured, or Partly Manufactured (excluding Articles of Food and Articles, from the under-mentioned Foreign Country, during each

of Trade of the United Kingdom."]

RUSSIA

1897.	1898.	1899.	1900.	1901.	1902.	Articles.
£	£	£	£	£	£	
19,252	237	493	653	424	3,045	Caoutchouc, manufactures of.
50,239	71,334	62,116	70,004	69,552	66,726	Cordage and twine.
5,684	6,595	5,874	14,142	7,746	6,651	Drugs of all sorts.
1,749,768	1,724,147	1,679,138	1,358,536	1,603,675	1,414,581	Flax, dressed or undressed.
248,714	211,823	263,413	189,033	348,058	240,427	" tow.
145,022	149,043	148,010	200,431	273,117	257,872	Hemp, dressed or undressed.
32,420	52,525	80,441	34,834	49,251	49,653	Hemp tow.
35,346	25,695	28,453	32,722	19,902	18,599	Leather.
Not stated	82	—	18,023	3,766	2,274	Linen yarn.
30,938	21,286	22,619	20,561	9,427	17,720	" manufactures.
418,657	602,968	639,276	423,742	333,675	342,760	Oil-seed cake.
14,097	11,661	17,158	25,898	19,927	24,303	Oils.
26,596	10,050	3,530	16	134	31	Painters' colours and pigments.
	47,405	70,199	83,416	104,346	119,812	Paper, unprinted.
72,575	20,347	41,392	84,013	80,634	94,884	" wood pulp board.
	2,741	3,055	3,856	2,666	1,600	" of all other sorts.
10,594	5,420	—	—	—	2,850	Quicksilver.
4,128	14,397	19,220	4,749	1,777	4,113	Wood, manufactures of: House frames and joiners work.
24,386	39,988	33,383	50,316	35,293	21,349	Woollen manufactures.
157,799	136,935	147,409	156,040	196,686	395,554	Other articles.[1]
3,046,215	3,154,679	3,265,179	2,771,985	3,160,056	3,084,804	Total Manufactures.
22,284,365	19,489,514	18,711,168	21,983,952	21,903,574	25,673,958	Total Imports.

other than manufactures, is unavoidably included.

(C) TABLE I

COUNTRIES from which the PRINCIPAL ARTICLES of FOOD and DRINK (other than Alcoholic Beverages) were IMPORTED in the Year 1902.

[Value in Thousands of £.]

Articles.	Foreign Countries.	British Possessions.	Total.	Principal Sources of Supply.
Wheat and flour	27,453	8,553	36,006	*Wheat.*—United States (14,496); Canada (3,194); India (2,938); **Russia** (2,147); Argentine Republic (1,464). *Flour.*—United States (7,217); Canada (870); Austria-Hungary (392).
Barley	7,107	25	7,132	**Russia** (2,564); Roumania (1,277); Asiatic Turkey (1,170).
Oats	4,856	185	5,041	**Russia** (2,863); Germany (796); Roumania (471).
Maize	11,607	106	11,713	Roumania (4,805); Argentine Republic (3,551).
Rice, rice meal, and flour	645	1,342	1,987	India, mainly Burmah (1,282).
Meat (including animals for food)	38,352	8,737	47,089	*Meat.*—United States (19,636); Argentine Republic (4,635); Denmark (4,236); New Zealand (3,915); Canada (1,721). *Animals for Food.*—United States (6,507); Canada (1,731).
Fish	2,790	1,316	4,106	United States (1,099[1]); Canada (1,074); Norway (576).
Butter	17,993	2,534	20,527	Denmark (9,302); France (2,233); **Russia** (2,196); Canada (1,347).
Cheese	1,979	4,433	6,412	Canada (4,302); United States (962); Holland (668).
Eggs	6,099	210	6,309	**Russia** (1,510); Denmark (1,366); Germany (1,261).
Fruit	11,545	1,306	12,851	Spain (3,907); Untd. States (1,374); Greece (1,222); Canada (606).
Vegetables	3,299	776	4,075	France (1,141); Channel Islands (764); Holland (401).
Sugar	13,792	940	14,732	Germany (9,329); France (1,853); British West India Islands (496).
Tea	810	7,977	8,787	India (4,803); Ceylon (3,134); China (457).
Cocoa and chocolate	1,841	750	2,591	*Raw Cocoa.*—British West India Islands (586); Portugal (357); Ecuador (215). *Chocolate.*—France (502); Holland (341).
Condensed milk	1,804	3	1,807	Switzerland (751[2]); Norway (198).
Total of above articles	151,969	39,195	191,164	
Per cent.	79·5	20·5	100·0	

[1] Mainly tinned salmon.

[2] Value of condensed milk exported from Switzerland to the United Kingdom in the year 1901. The figures for 1902 are not available.

(C) TABLE II

COUNTRIES from which PRINCIPAL RAW MATERIALS were IMPORTED in the Year 1902.

[Value in Thousands of £.]

Articles.	Foreign Countries.	British Possessions.	Total.	Principal Countries from which Imported.
Raw cotton . . .	40,565	584	41,149	United States (29,284); Egypt (9,938); Brazil (1,088); India (567).
Raw wool (sheep or lambs, alpaca and the Llama tribe) . .	3,566	16,670	20,236	Australia (9,739); New Zealand (3,799); Cape Colony (2,094); British East Indies (666).
Flax and hemp . .	3,407	857	4,264	*Flax.*—**Russia** (240). *Hemp.*—Philippine and Ladrone Islands (2,064); New Zealand (474); Italy (377); **Russia** (308).
Jute	46	5,255	5,301	India (5,254).
Wood and timber . .	18,858	6,327	25,185	**Russia** (6,149); Canada (4,888); Sweden (4,563); United States (3,739); Norway (1,822).
Oils, oil seeds, nuts, etc.	9,385	5,511	14,896	*Oils.* British West Africa (1,253); United States (904); Spain (387). *Oil Seeds.*—British East Indies (2,717); Egypt (2,419); Argentine Republic (1,865). *Nuts.*—British West Africa (292); British East Indies (including Ceylon) (214).
Petroleum and paraffin .	6,097	100	6,197	*Petroleum.*—United States (3,542); **Russia** (1,405). *Paraffin.*—United States (903).
Caoutchouc . . .	4,908	272	5,180	Brazil (3,621).
Iron ore	4,886	93	4,979	Spain (4,005).
Copper ore, regulus, and precipitate. . .	2,684	788	3,472	Spain (1,145); Chile (541); United States (428); Cape of Good Hope (339); Peru (290).
Tin	938	3,864	4,802	Straits Settlements (3,297); Chile (675); Australia (386).
Dyeing and tanning stuffs	2,551	1,255	3,806	Germany and Holland (1,134); British East Indies (954).
Paper-making materials	3,125	260	3,385	Norway (1,039); Sweden (945).
Unmanufactured tobacco	3,889	1	3,890	United States (3,356).
Raw hides . . .	1,943	498	2,441	Germany, Holland, and Belgium (803); Italy (299); France (266); Argentine Republic (160); Bengal (103).
Total of above articles	106,848	42,335	149,183	
Per cent. . .	71·6	28·4	100·0	

(D) **Statement** showing the **Average Incidence** (*ad valorem*) of the **Import Duty** levied in **RUSSIA** on the under-mentioned representative Classes of Goods of British Manufacture **Exported** from the **United Kingdom.**

Articles.	Average Value of Exports from the United Kingdom to all Countries in 1902.	Rate of Duty levied in Russia on the Class of Goods principally exported from the United Kingdom. Duty according to Russian Tariff.	Estimated Equivalent.	Approximate Equivalent Rate of Duty *ad valorem*.
				Per Cent.
Cotton manufactures:				
Piece goods, unbleached	2·01*d.* per yd.	74 kop. per funt	4·16*d.* per yd.	207
" bleached	2·46*d.* "			169
" printed	2·68*d.* "	1 rbl. 17½ kop. per funt.	8·6*d.* "	246
" dyed, etc.	3·46*d.* "			191
Cotton thread for sewing	26·89*d.* per lb.	15 rbls. per pood	10·55*d.* per lb.	39
Cotton yarn:				
Grey	10·49*d.* "	10½ " "	7·39*d.* "	70
Bleached or dyed	11·23*d.* "	12 rbls. 15 kop. per pood.	8·55*d.* "	76
Woollen and worsted manufactures:				
Broad piece goods:				
Heavy, all wool	52·57*d.* per yd.	1 rbl. 57½ kop. per funt.	49·76*d.* per yd.	95
" mixed	22·65*d.* "		49·76*d.* "	220
Light, all wool	36·22*d.* "		27·65*d.* "	76
" mixed	15·23*d.* "		27·65*d.* "	182
Worsted coatings:				
All wool	47·27*d.* "		49·76*d.* "	105
Mixed	27·5*d.* "		49·76*d.* "	181
Worsted stuffs, all wool	11·57*d.* "		16·59*d.* "	143
" " mixed	9·72*d.* "		13·82*d.* "	142
Worsted yarn	16·07*d.* per lb.	13 rbls. 72½ kop. per pood.	9·66*d.* per lb.	60
Linen piece goods, plain, bleached or unbleached.	5·7*d.* per yd.	1 rbl. 80 kop. per funt	17·69*d.* per yd.	310
Machinery:				
Textile	£49 per ton	2 rbls. 10 kop. per pood	£13·74 per ton	28
Locomotive	£45 "	2 " 70 " "	£17·67 "	39
Sewing	£135 "	2 " 10 " "	£13·74 "	10
Iron and steel, and manufactures thereof:				
Pig iron	64·75*s.* "	45 kop. per pood.	58·9*s.* "	91
Rails	£5·44 "	75 " "	£4·91 "	90
Galvanised corrugated sheets.	£12·48 "	2 rbls. 32½ kop. per pood.	£15·22 "	122
Tinplates	£13.89 "			110
Steel bars	£11·57 "	75 kop. per pood	£4·91 "	42
Ships	£12 "	Free (for foreign trade)	Free	Nil
Apparel:				
Woollen clothing	6·67*s.* per lb.	2 rbls. 32½ kop. per funt	5·44*s.* per lb.	82
Boots, and shoes of leather	48·09*s.* per doz. prs.	1 " 95 " "	82·15*s.* per dz. prs.	171
Chemicals:				
Sulphate of copper	19·3*s.* per cwt.	1 rbl. 20 kop. per pood	7·85*s.* per cwt.	41
Soda, caustic	9·7*s.* "	1 " 48½ " "	9·75*s.* "	101
Bleaching powder	6·14*s.* "	1 " 15½ " "	7·56*s.* "	123

Allowing to each of the above articles its relative importance in the total export trade of the United Kingdom, it appears that the average rate of duty in Russia on all manufactured articles exported from the United Kingdom would be about 131 per cent.

APPENDIX 9

THE MACEDONIAN QUESTION

THE Blue-book, "Turkey, No. 2, 1904" [Cd. 1879], contains "Further Correspondence respecting the Affairs of South-Eastern Europe," including an important despatch addressed by Lord Lansdowne to Sir Nicolas O'Conor on December 24th, 1903 :—

THE MARQUIS OF LANSDOWNE *to* SIR N. O'CONOR.

FOREIGN OFFICE, *December 24th,* 1903.

SIR,—I have received your Excellency's despatch of the 15th instant, reporting the present state of the discussions as to the execution of the proposed reforms in Macedonia.

I need not say that His Majesty's Government have learned with great regret and disappointment that so little effective progress has hitherto been made in a matter in which prompt and speedy action is of such importance to all concerned.

The decision of the Austro-Hungarian and Russian Governments to demand these additional measures of reform was communicated to His Majesty's Government on the 5th October last. The actual scheme was communicated to the Porte on the 23rd of that month, and to the other Powers on the following day. Since then two months have elapsed, and, although a somewhat qualified acceptance of the scheme has been obtained from the Porte, it cannot be said that even the initial steps towards putting it into practical effect have been accomplished.

The two civil functionaries who are to assist the Inspector-General have, indeed, at last been selected by the Austro-Hungarian and Russian Governments, but it appears that their appointment is still deferred while the two Ambassadors are discussing with the Porte the exact title which these officials shall bear.

In regard to the reorganisation of the gendarmerie, which His Majesty's Government have throughout felt to be one of the most effective measures for the improvement of the situation, nothing whatever has yet been done—and although the two

Powers have agreed that the Italian Government shall be requested to select a General for the supreme command, and the Italian Government have announced their readiness to do so as soon as the request is made, the Turkish Government seem still to be making difficulties as to taking even a first step in the matter.

On the 13th November last I stated to you that His Majesty's Government were anxious to send out at the earliest possible moment the British officers who, under paragraph 2 of the Mürzsteg programme, would take part in the work of reorganisation.

On the 25th of the same month I suggested, for the consideration of the Powers, that the Ambassadors should form a Committee for the purpose of drawing up a scheme of procedure.

On the 4th instant, the Austro-Hungarian and Russian Governments communicated their views as to the method of procedure which would be most convenient. They recommended that in the first instance they should insist on the appointment by the Porte of a foreign General, and that as soon as this appointment had been made each of the Powers should appoint a staff officer to assist him. They deprecated, however, the appointment of these officers or their despatch to Constantinople until the General in command had been appointed.

Since that date His Majesty's Government have been constantly inquiring as to the progress made in the matter of this important appointment, upon which so much depends, but without eliciting any satisfactory reply.

His Majesty's Government cannot but regard this dilatory procedure with great apprehension as to the ultimate result. The few months of winter during which the climate prevents any serious outbreak of insurrection are rapidly passing. The insurgent committees have made no secret of their determination to recommence operations in the spring as soon as the weather permits a resumption of them. It will be impossible to avert serious and far-reaching calamities unless the interval still left is used with energy for such an improvement of the administration as may relieve the bulk of the population from the worst, at all events, of the evils under which they now suffer, and disincline them from joining in or sympathising with the operations of the insurgent bands. If the appointments to which I have referred in this despatch are not made at once and effective action commenced on the spot, there is little or no hope that any serious progress can be made in this direction.

I request that you will once more urge these considerations very earnestly on the attention of the Turkish Ministers, and

impress upon them the unfortunate results which must ensue from further delay.

Speaking in the House of Lords on February 2nd, 1904, Lord Lansdowne said:—

"The noble earl expressed some disappointment that more progress had not been made in bringing about an improvement in the position of the long-suffering and misgoverned population in Macedonia. The policy of the Government has been based upon a desire to avoid a breach of the peace in Macedonia, and upon an equally sincere desire to bring about an amelioration of the condition of the population. I connect these two objects very closely, because there can be no doubt that if a conflagration were to break out in the Balkan Peninsula the greatest sufferers and most immediate sufferers would be the unfortunate inhabitants of those vilayets in which the most recent disturbances have occurred. We have, at any rate, come to the conclusion that we could not do better than support the two Powers—Austria-Hungary and Russia—in the schemes of reform which they have put forward. But, as the papers which have been laid on the table, I believe to-day, will show your lordships, *we have spared no efforts in order to give all these schemes a character of as much completeness as possible, and we have made it perfectly plain to all concerned that if these schemes should fail to produce the desired result we reserve to ourselves entire liberty to take into consideration and to propose alternative and more far-reaching measures.*"

APPENDIX 10

THE TIBETAN QUESTION.

THE Blue-book "East India (Tibet)" [Cd. 1920], 1904, contains papers covering the whole period between the negotiations in 1889 and the present political mission. The most recent of these include the following important passages.

On November 17th, 1903, Lord Lansdowne addressed the following despatch to His Majesty's Chargé d'Affaires at St. Petersburg :—

"The Russian Ambassador paid me a visit to-day, and at once spoke in earnest terms of the effect which had been created in Russia by the announcement that Major Younghusband's force was about to advance into Tibet. He was instructed to remind me of the statement which he had made to me on the 8th of April as to the manner in which the Russian Government regarded the Tibetan question. They could not help feeling that the invasion of Tibetan territory by a British force was calculated to involve a grave disturbance of the Central Asian situation, and it was most unfortunate that, at the present moment, when the Russian Government were, as I was aware, disposed to enter into an amicable discussion of our relations at the various points where British and Russian interests were in contact, an event of this kind, so calculated to create mistrust on the part of Russia, should have occurred. Count Benckendorff wished me, however, to understand that the despatch which he had received had crossed, and was, therefore, not an answer to the telegram in which he had communicated the statement which I had made to him on the 7th instant as to the position of affairs in Tibet, and the steps which His Majesty's Government had determined to take. I expressed my great surprise at the excitement which the announcement seems to have created. I had, I said, already pointed out to His Excellency that Tibet was, on the one hand, in close geographical connection with India, and, on the other, far remote from any of Russia's Asiatic possessions. Our interest in Tibetan affairs was therefore wholly different from any which Russia could have in them. I reminded Count Benckendorff that I had already explained to him that we had received the greatest provocation

at the hands of the Tibetans, who had not only failed to fulfil their treaty obligations, but had virtually refused to negotiate with us. They had even gone the length of returning the letters which we had addressed to the authorities at Lhasa, and more lately they had seized and, as we believed, barbarously put to death two British subjects, and had also carried off the transport animals which had been provided for the use of the Commission. We had always been reluctant to entangle ourselves in quarrels with the Tibetans, but our forbearance had, I was afraid, led them to believe that we could be ill-treated with impunity. I was firmly convinced that the Russian Government would not have shown as much patience as we had, and that they would have been at Lhasa by this time. I felt bound to add that it seemed to me beyond measure strange that these protests should be made by the Government of a Power which had, all over the world, never hesitated to encroach upon its neighbours when the circumstances seemed to require it. If the Russian Government had a right to complain of us for taking steps in order to obtain reparation from the Tibetans by advancing into Tibetan territory, what kind of language should we not be entitled to use in regard to Russian encroachments in Manchuria, Turkestan, and Persia. Count Benckendorff asked me whether I had any objection to his saying that we had approved of the advance into Tibetan territory with reluctance, and only because circumstances had made it inevitable, and that our sole object was to obtain satisfaction for the affronts which we had received from the Tibetans. I said that I had no objection to his making such a statement."

In spite of the diplomatic assurances of the Russian Government [Cf. p. 627, footnote], the Viceroy received on December 9th and on December 29th respectively the two following reports from Colonel Younghusband:—

"Information that the Tibetans are relying on Russian support, and that Russian arms have entered Tibet, has now been received from several independent sources. It may be assumed as certain that Dorjieff, who two or three years ago went on a mission to the Czar from the Dalai Lama, is at present at Lhasa; that a promise of Russian support has been given by him to the Tibetans; and that the Tibetans believed that this promised support will be given to them."

"In the course of informal conversation to-day, Colonel Chao stated that Dorjieff is at present in Lhasa. He also said that the arrogance of the Tibetans was due to their reliance on the support of the Russians, since many discussions have been held

in Russia between Dorjieff and Russian officials, with the result that of late the Tibetans have been taunting the Chinese openly and saying that they have now a stronger and greater Power than China upon which to rely for assistance."

On December 6th the Viceroy telegraphed to the Secretary of State:—

"The Tibetan General at Yatung is reported by Colonel Younghusband to have asked to be given a pledge that if the Tibetans make no attack upon us, no attack will be made by us on them. To this Colonel Younghusband has replied that we are conducting the Mission, under adequate protection, to a place better fitted for negotiations, that we are not at war with Tibet, and that, unless we are ourselves attacked, we shall not attack the Tibetans."

And the correspondence closes with a telegram, dated January 30th, 1904, from the Secretary of State to the Viceroy, stating that:—

"Every safeguard should be employed to ensure security of Mission, but Colonel Younghusband should be definitely instructed to observe the spirit of his statement to the Tibetan General, reported in your telegram of the 6th December. No hostile action must be taken by him unless he is attacked or finds that there is actual danger of his communications with base being cut off by Tibetans."

("*Times*," *February* 8*th*, 1904.)

Speaking in the House of Lords on February 2nd, 1904, Lord Lansdowne said:—

"Then the noble earl asked me a series of questions with regard to the mission to Tibet and expressed a hope that an explanation would be given of the circumstances in which that mission originated. We are laying papers on the table, and the noble earl will learn from them that this affair had its origin, not as seems sometimes to *be supposed in a British* invasion of Tibet, *but in a Tibetan invasion of unprotected native states.* That event took place some years ago. We treated the Tibetans with the utmost leniency, we did not deprive them of any territory, we did not ask them for any indemnity. All we did ask for was that they should enter into a neighbourly agreement with us, under which the frontier was to be clearly demarcated and facilities were to be given to persons engaged in trade to cross the frontier. *That agreement, so entered into, has been constantly broken*; the boundary pillars have been removed, *peaceful traders*

have been interfered with, our agents have been turned back, *our letters have been sent back unopened, and British subjects have been arrested and carried away.* It is impossible that we should tolerate conduct of that kind, and the Government of India very properly determined to insist on a more satisfactory arrangement. Then, says the noble earl, 'Why have you not been content to deal with this matter through the Chinese Government?' I think the answer to that is this. In 1890 we did deal with an incident like this through the Chinese Government, and the agreement then entered into by the Chinese Envoy, aided by a Tibetan assessor, was absolutely repudiated by the Tibetans; and on this occasion, although we have invoked the assistance of China, we have done so quite in vain. The Chinese Government began by sending down an officer of quite inferior rank and quite incapable of dealing with the matter. The Chinese representative at Lhasa endeavoured to dissuade the Tibetans from continuing their opposition, but he attempted to do so in vain; and, finally, it may interest the noble earl to know that the Chinese Government deputed an envoy to go to Tibet for the express purpose of settling these matters. That envoy left Pekin in December, 1902, and he is still on his way to Lhasa. The Chinese Government are a broken reed to lean upon. The noble earl asked whether this Tibetan mission does not come within the purview of the 55th clause of the Government of India Act, which provides that the revenues of India shall not, without the consent of both Houses of Parliament, be applied to discharge the expenses of any military operations carried on beyond the external frontier of India. We do not admit that the Tibetan mission, which is described in the Speech as a political mission, is a military operation. That matter has been thoroughly considered by the Government of India, and they are satisfied that there has been no contravention of the Act. As far as the people of Tibet are concerned, Colonel Younghusband seems to have been received in a very friendly manner. The opposition he has to encounter is, we believe, entirely confined to the monks at Lhasa, who constitute the civil and military authority in that strange country."

APPENDIX 11

JAPANESE AND RUSSIAN STATEMENTS

"Times," February 10*th*, 1904

The Japanese Case

The following statement has been issued from the Japanese Legation:—

"It is absolutely indispensable to the safety and welfare of Japan that the independence and territorial integrity of Korea should be maintained, and that Japan's own paramount interests there should be safeguarded.

"Accordingly the Japanese Government find it impossible to view with indifference any action endangering the position of Korea.

"Russia, despite her solemn treaty with China and her repeated assurances to the Powers, not only continues in occupation of Manchuria, but has even taken aggressive action in Korean territory.

"Should once Manchuria be annexed to Russia the independence of Korea would naturally be impossible.

"This must, no doubt, be acknowledged by Russia herself, because in 1895 Russia expressly intimated to Japan that the possession of the Liaotung Peninsula by Japan would not only constitute a constant menace to the capital of China, but would render the independence of Korea illusory.

"Under these circumstances the Japanese Government, being desirous of securing a permanent peace in the Far East, by means of direct negotiations with the Russian Government, with a view to arriving at a friendly adjustment of mutual interests both in Manchuria and Korea where the interests of Japan and Russia meet, communicated such desire to the Russian Government towards the end of July last, and invited them to meet it. The Russian Government then expressed their willing assent.

"Accordingly, on August 12th last, the Japanese Government proposed to the Russian Government, through their representative at St. Petersburg, a basis of agreement on the subject, which was substantially as follows:—

"1. A mutual engagement to respect the independence and territorial integrity of the Chinese and Korean Empires.

"2. A mutual engagement to maintain the principle of the equal opportunity for the commerce and industry of all nations in those two countries.

"3. Reciprocal recognition of Japan's preponderating interests in Korea and Russia's special interests in railway enterprises in Manchuria, and mutual recognition of the right of Japan and of Russia respectively to take such measures as may be necessary for the protection of the above-mentioned respective interests in so far as the principle set forth in Article 1 is not infringed.

"4. Recognition by Russia of the exclusive right of Japan to give advice and assistance to Korea in the interest of reform and good government in the Peninsular Empire.

"5. An engagement on the part of Russia not to impede an eventual extension of the Korean Railway into Southern Manchuria so as to connect with the East China and Shan-hai-Kwan and Newchwang lines.

"It was originally the intention of the Japanese Government that conferences should take place directly between their representative at St. Petersburg and the Russian authorities, so that the progress of the negotiation might be facilitated and the solution of the situation be expedited as much as possible.

"However, as the Russian Government absolutely refused to give effect to the above intention, on the plea of the Tsar's trip abroad and for several other reasons, it was unavoidably decided to conduct the negotiations in Tokio. And it was not until October 3rd last that the Russian Government presented any sober-minded counter-proposals. Even thereby she declined to pledge herself to respect the sovereignty and territorial integrity of China, and to stipulate the maintenance of the principle of the equal opportunity for the commerce and industry of all nations in China, and, moreover, requested Japan to declare Manchuria and its littoral as being entirely outside her sphere of interest. Russia further put several restrictions upon Japan's freedom of action in Korea. For instance, while recognising Japan's right to despatch troops to Korea when necessary for the protection of her interests there, Russia refused to allow Japan to use any portion of Korean territory for strategic purposes. In fact, Russia went so far as to propose to establish a neutral zone in the Korean territory north of the 39th parallel.

"The Japanese Government utterly failed to see why Russia, who hitherto so often professed to have no intention of absorbing Manchuria, should be disinclined to insert in the proposed convention a clause which is in complete harmony with her own repeatedly declared principle respecting the sovereignty and territorial integrity of China. This refusal of the Russian Govern-

ment has all the more impressed upon the Japanese Government the necessity at all events of the insertion of that clause.

"Japan has important commercial interests in Manchuria, and entertains no small hope of their further great development. And politically she has even greater interests there on account of Manchuria's relations with Korea, so that she could not possibly recognise Manchuria as being entirely outside her sphere of interest.

"For these reasons the Japanese Government decided absolutely to reject the Russian proposals in this respect.

"Accordingly the Japanese Government explained the above views to the Russian Government, and at the same time introduced other necessary amendments into the Russian counter-proposals.

"They further proposed, with regard to neutral zone, that, if one was to be created, it should be established on both sides of the boundary line between Manchuria and Korea with equal width —say, of 50 kilometres.

"After repeated discussions in Tokio, the Japanese Government finally presented to the Russian Government their definitive amendments on October 30th last.

"The Japanese Government then frequently urged the Russian Government for a reply, which was again and again delayed, and was only delivered on December 11th last.

"In that reply the Russian Government suppressed the clause relating to Manchuria, so as to make the proposed convention entirely Korean, and maintained their original demands in regard to the non-employment by Japan of any part of Korean territory for strategic purposes as well as to neutral zone.

"But the exclusion of Manchuria from the proposed convention was contrary to the original object of the negotiation, which was to remove every cause for conflict between the two countries by a friendly arrangement of their interests, both in Manchuria and Korea. Accordingly the Japanese Government asked the Russian Government to reconsider the question, and again proposed the removal of the restriction as to the use of Korean territory and entire suppression of neutral zone on the ground that, if Russia is opposed to have it established equally on the Manchurian side, it should no more be established on the Korean side.

"The last reply of Russia was received in Tokio on January 6th last.

"In this reply, it is true, Russia proposed to agree to insert the following clause in the proposed agreement:—

"'Recognition by Japan of Manchuria and its littoral as being outside her sphere of interests, while Russia within the limits of

that province will not impede Japan or other Powers in the enjoyment of rights and privileges acquired by them under existing treaties with China, exclusive of the establishment of settlements.'

"But this was proposed by the Russian Government to be agreed to only on conditions of maintaining the clauses regarding a neutral zone in Korean territory only and the non-employment of any Korean territory for strategic purposes—conditions the impossibility for Japan of accepting which had already been fully explained to them. It should further be observed that no mention was made at all in the Russian reply of the territorial integrity of China in Manchuria, and it must be self-evident to everybody that the engagement as now proposed by the Russian Government to be agreed to would be of no practical value so long as it was not accompanied by a definite stipulation regarding the independence and territorial integrity of China in respect of Manchuria. Because treaty rights of Powers in Manchuria being only co-existing with the sovereignity of China over that province, an eventual absorption of Manchuria by Russia would annul at once those rights and privileges acquired by the Powers in that region by virtue of treaties with China.

"Therefore the Japanese Government deemed it indispensable to obtain Russia's agreement to the maintenance of the territorial integrity of China in Manchuria. But as regards the question of the establishment of settlements in Manchuria, the Japanese Government, although they could not waive for ever that right acquired by virtue of the Supplementary Treaty of Commerce and Navigation between Japan and China, went even so far as to declare, in the interest of a speedy and friendly conclusion of the negotiation, that they would not insist upon an immediate execution of that right regardless of the attitude of a third Power having the same right.

"With regard to Korea, the Japanese Government decided to adhere to their amendments, as there was absolutely no room for concession. On those lines they renewed, on January 13th last, their request to the Russian Government to reconsider the question, and have since frequently urged them to send an early reply. But the Russian Government, so far from forwarding it, did not even indicate any date for it. The Japanese Government have, throughout the negotiation, been actuated by the principles of moderation and impartiality, and have demanded of the Russian Government nothing more than the recognition of a principle which has been repeatedly and voluntarily declared by Russia herself, while the Russian Government have persistently refused to accede thereto.

"While unduly delaying to hand their reply whenever they had to make one, they have, on the other hand, eagerly augmented their naval and military preparations in the Far East. In fact, large Russian forces are already on the Korean frontier.

"The Japanese Government, animated by a sincere desire for peace, have been exercising the utmost degree of patience, but now they are reluctantly compelled by the action of Russia to give up all hopes of reconciliation, to break off the negotiation, and to take such independent action as may be necessary for defending Japan's rights and interests."

The Russian Case

St. Petersburg, *February 9th.*

An official *communiqué* is published to-day giving the Russian account of the negotiations which led to the rupture of diplomatic relations between Russia and Japan. It says:—

"Last year the Tokio Cabinet, on the pretext of establishing the balance of power and a more settled order of things on the shores of the Pacific, submitted to the Imperial Government a proposal for the revision of existing treaties with Korea. Russia consented, and in consequence of the establishment at that time of a Viceroyalty in the Far East, Admiral Alexeieff was charged by Imperial command to draw up a project for a new understanding with Japan, with the co-operation of the Russian Minister at Tokio, who was entrusted with the negotiations with the Japanese Government. In spite of the fact that the exchange of views with the Tokio Cabinet on this subject took a friendly character, Japanese social circles and the local and foreign press attempted in every way to produce a warlike ferment among the Japanese and to bring the Government into armed conflict with Russia.

"Under the influence of such feeling, the Tokio Cabinet began to put forward greater and greater demands in the negotiations, at the same time taking the most extensive measures to make the country ready for war. All these circumstances could, of course, not disturb Russia's equanimity; but they induced her also on her part, to take due military and naval measures.

"Nevertheless, in order to preserve peace in the Far East, Russia, in so far as her incontestable rights and interests permitted, gave the necessary attention to the wishes manifested by the Tokio Cabinet, and declared herself ready, in virtue of the conditions of an understanding, to recognise Japan's privileged

commercial and economic position in the Korean Peninsula, with the concession of the right to protect that position by armed force in the event of disturbance in the country. At the same time, while rigorously observing the fundamental principle of her policy regarding Korea, whose independence and integrity were guaranteed by previous understandings with Japan and treaties with other Powers, Russia insisted (1) on the mutual and unconditional guarantee of this fundamental principle; (2) on the undertaking to use no part of Korea for strategic purposes, as authorisation of such action on the part of any foreign Power would be directly opposed to the principle of the independence of Korea; (3) on the preservation of full freedom of navigation through the Strait of Korea.

"The project, elaborated in such a sense, did not satisfy the Japanese Government, which in its last proposals not only declined to accept the conditions which were to constitute a guarantee of the independence of Korea, but also began at the same time to insist on provisions affecting the question of Manchuria being incorporated in the said project. Such demands on the part of Japan were naturally inadmissible. The question of Russia's position in Manchuria concerns in the first place China herself, and then all the Powers having commercial interests in China. The Imperial Government, therefore, saw absolutely no reason to include in a special treaty with Japan regarding Korean affairs any provisions concerning territory occupied by Russian troops. The Imperial Government, however, does not refuse, so long as the occupation of Manchuria lasts, to recognise both the sovereignty of the Bogdo Khan (Emperor of China) in Manchuria and the privileges acquired there by the Powers through treaties with China. A declaration to this effect has already been made to the foreign Cabinets.

"In view of this, the Imperial Government, in charging its representative at Tokio to present its reply to the last proposals of Japan, was justified in expecting that the Tokio Cabinet would take into account the importance of the considerations set forth above, and would appreciate the wish manifested by Russia to come to a peaceful understanding with Japan. Instead of this the Japanese Government, without even awaiting this reply, decided to break off negotiations and to suspend diplomatic intercourse with Russia. The Imperial Government, while laying upon Japan the full responsibility for any consequence of such a course of action, will await the development of events, and, the moment it becomes necessary, will take the most decisive measures for the protection of its interests in the Far East."

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